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# West Europe Report

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27 July 1984

## WEST EUROPE REPORT

## CONTENTS

## ARMS CONTROL

## SWEDEN

- Sweden Wary of Including Baltic in Stockholm Arms Talks  
(Lars Christiansson; SVENSKA DAGBLADET, 6 Jun 84)..... 1

## POLITICAL

## CYPRUS

- Turkish Proposals Seen Placing Onus on UN  
(Mehmet Ali Birand; MILLIYET, 17 Jun 84)..... 3

## FEDERAL REPUBLIC OF GERMANY

- Apel Cautions SPD Against 'Neutrality Fantasies'  
(FRANKFURTER ALLGEMEINE, 18 Apr 84)..... 6

## FINLAND

- Green Party Ideas Present Challenge to Establishment  
(Valtanen Interview; SUOMEN KUVALEHTI, 4 May 84)..... 8

## GREECE

- Papandreou Distances PASOK From European Socialist Parties  
(I KATHIMERINI, 6 Jun 84)..... 15
- PASOK Urged To Proceed to Personnel, Decisions Review  
(ELEVTHERTYPIA, 21 Jun 84)..... 17
- PASOK Partisans Staff Police Riot Units  
(MESIMVRINI, 1 Jun 84)..... 19

Retired Military, Police Officers Reportedly Working for ND  
(TO VIMA, 3 Jun 84; ELEVTEROTYPIA, 1, 2 Jun 84)..... 20

Organization's Structure, Members, by Mikh. Dimitriou  
Salonica Activities, by G. Etykhidis  
KYP Involvement; ND Denial, by G. Etykhidis

Smaller Parties' Positions on Political Future  
(Nikos E. Simos; I KATHIMERINI, 24-25 Jun 84)..... 28

Possible Turkish Return to Fundamentalism Presages Danger  
(Katerina Daskalakis; MESIMVRINI, 2 Jun 84)..... 31

#### SWEDEN

Paper Examines Principles of Palme Foreign Policy  
(Editorial; SVENSKA DAGBLADET, 14 Jun 84)..... 33

VPK Chairman Lars Werner on Prospects for Party  
(Lars Werner Interview; KANSAN UUTISET, 7 May 84)..... 35

Heckscher, Bildt: USSR Has Changed Attitude on Swedish Neutrality  
(Carl Bildt; DAGENS NYHETER, 17 Jun 84)..... 39

Socialist Party Youth Wing Increasingly Being Radicalized  
(Christina Jonsson; 7 DAGAR, 8 Jun 84)..... 44

Briefs  
Maoist CP Congress Attacks Moscow 50

#### MILITARY

#### EUROPEAN AFFAIRS

New NATO Northern Command Staff Chief Admiral Thaeter  
(AFTENPOSTEN, 30 Jun 84)..... 51

Finabel: Little Known 'European' Ground Force Planning Body  
(Hartmut Schmidt-Petri, Ulrich Baus; EUROPAEISCHE  
WEHRKUNDE, Jun 84)..... 55

#### AUSTRIA

Efforts To Modernize Army Structure, Weapons  
(Walter A. Hamburger; TRUPPENPRAXIS, Jun 84)..... 62



## FEDERAL REPUBLIC OF GERMANY

Organization, Mission of Navy's Mine Warfare Flotilla (Claus Peter Neumann; MARINE-RUNDSCHAU, May 84).....	70
Details of Bundesheer's Integrated 'HEROS' C3 Net (F.-J. Schaechter; EUROPAEISCHE WEHRKUNDE, Apr 84).....	76

## FINLAND

Armed Forces Commander Valtanen on Mission, Peace Movement (KANSAN UUTiset, 5 May 84).....	86
---	----

## NORWAY

Bodo Air Force Base Chief Claims Shortage of F-16 Pilots (AFTENPOSTEN, 2 Jul 84).....	93
--	----

## PORTUGAL

Eanes Statement on NATO Questioned (A TARDE, 27 Jun 84).....	95
Socialist Youth Questions Military Service (DIARIO DE NOTICIAS, 24 Jun 84).....	96
Briefs Frigate Decision in 2 Months	97

## ECONOMIC

### DENMARK/GREENLAND

Island's Withdrawal From EC Results in More Aid From Brussels (GRONLANDSPOSTEN, 30 May 84).....	98
--	----

## FEDERAL REPUBLIC OF GERMANY

Federal, Land Efforts To Foster Innovation, Tech Transfer (Various sources, various dates).....	99
Bonn Aids Fledgling Firms, by Klaus Broichhausen Technology Center in Aachen Hannover Establishes Technology Park, by C. Schwerin Stuttgart Foundation Coordinates Support	
Lifestyles, Politics, Aspirations of Turkish Trainees (Claudia Hammer; DIE ZEIT, 8 Jun 84).....	106

## SWEDEN WARY OF INCLUDING BALTIC IN STOCKHOLM ARMS TALKS

Stockholm SVENSKA DAGBLADET in Swedish 6 Jun 84 p 4

[Article by Lars Christiansson]

[Text] From the standpoint of Swedish security policy, it is of fundamental interest that the status of the Baltic Sea not be jeopardized. At the Stockholm Conference, this goal could come into conflict with the desire to include the entire Baltic Sea in the security agreements reached at the conference.

Work is now underway at the Foreign Ministry on a speech that is to be delivered in the near future by undersecretary Pierre Schori at the Stockholm Conference. At that time, Schori will certainly take up the Baltic Sea issue. Foreign Ministry officials also are discussing the possibility of including a statement in indirect opposition to continued submarine intrusions.

The Foreign Ministry faces a delicate problem with regard to Sweden's view on the Baltic Sea. This problem results from the charge to the Stockholm Conference. The question is whether the Baltic Sea should be seen as a part of the European land mass or as a sea that borders on Europe.

The charge of the conference states that it is to reach agreement on security and confidence-building measures for all of Europe, as well as bordering sea regions and air space.

From the Swedish standpoint, it is extremely important that the entire Baltic Sea be included in the military restrictions and the information and monitoring provisions that are to be achieved at the Stockholm Conference.

Of course, the security of Sweden will be best served if agreements are reached on limiting the size of military maneuvers in the Baltic Sea. The same is true of the prior announcement of military maneuvers and monitoring mechanisms to guarantee that the nations involved abide by the agreements. One of the goals of the Stockholm Conference is to reduce the risk of a surprise attack.

This leads to a dilemma for Sweden. If the Baltic Sea is viewed as a bordering sea, it is not clear that the decisions of the conference will apply to the entire Baltic Sea.

If, instead, the Baltic Sea is seen as a part of the European land mass, the decisions of the conference will certainly apply to the entire Baltic Sea. Swedish officials fear, however, that such a solution could endanger the status of the Baltic Sea in international law as an open sea. This would be against the fundamental security interests of Sweden.

For many years the Soviet Union has consistently supported the idea that the Baltic Sea should be seen as a closed inland sea. This would mean that the Baltic Sea would be controlled by the nations along its coast. As a result, no outside nations could conduct naval operations on the open waters of the Baltic Sea. This would be in the interest of the Soviet Union.

Sweden holds the exact opposite view. Since the days of the Crimean War, Sweden has maintained that the Baltic Sea must remain an open body of water. Behind the Swedish view is the idea that it is of enormous significance to our security that the naval vessels of outside nations have free access to the Baltic Sea. In this way, the military forces of the Baltic Sea nations could be balanced with naval units of other countries. In this way, a balance of power could be achieved and the risk of Soviet hegemony reduced.

Unlike the Helsinki Conference, the Stockholm Conference will make binding decisions. An agreement based on the idea that the Baltic Sea is part of the European land mass could result in a political sanction of the Soviet view of the status of the Baltic Sea. This could destroy a 150 year old Swedish Baltic Sea policy and crown with success a Soviet ambition that is equally as old.

When Sweden takes up the Baltic Sea problem at the Stockholm Conference--regardless of whether this is done now by Pierre Schori or later--Foreign Ministry diplomats will have to utilize all their skill to deal with this problem.

Every nuance and every choice of wording in the Swedish statement will be carefully made to secure both Swedish interests: the status of the Baltic Sea as an open sea must not be jeopardized and, at the same time, the entire Baltic Sea must be included in the security measures agreed on at the Stockholm Conference.

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CSO; 3650/229

## TURKISH PROPOSALS SEEN PLACING ONUS ON UN

Istanbul MILLIYET in Turkish 17 Jun 84 p 7

[Article by Mehmet Ali Birand: "Now Let Us Wait for UN Secretary General's Reply"]

[Text] Turkey's new package of proposals concerning Cyprus was formally presented to the UN Secretary General De Cuellar on Friday morning. During the almost one-hour meeting Ertekur explained the proposals and De Cuellar was content with listening to these.

The secretary general did not pass any judgment on the proposals during the meeting. However, according to one of the secretary general's assistants, proposals pertaining to the ultimate solution have especially been found "positive and interesting."

However, This Is Not Sufficient

In other words, the secretary general has to believe that the proposals comprising the first part of this package are also positive. Otherwise he may not activate the efforts which he has frozen to initiate intercommunal talks.

In that event, no matter how attractive our proposals may be for the final solution, they may be frustrated.

As is known, there are two points that the secretary general is expecting from the Turkish side.

1. Varosa: on this issue the Turkish side has made it's attitude more flexible compared to before and resumed Denktas' proposals of 2 January.
2. Referendum and annulment of the elections on this topic the Turkish side has said whether they will or will not annul the elections.

The secretary general may ask Ertekur for some additional clarification tomorrow. He may ask questions such as, whether the transfer of Varosa to the UN may be unconditionally realized as in the 16 March scenario, when talks can be initiated on this topic and finally how the referendum issue will be dealt with.

Now, the following are the alternatives facing us:

1) Either the secretary general will consider the proposals satisfactory and will reinitiate the efforts which had been frozen by establishing contact with the Cypriot Greeks;

2) Or he will request that the Turkish side "fill up this package further".

It is not certain how long these "preliminary contacts" scheduled to begin on Monday will last. Ertekun may reply the secretary general's questions immediately or he may chose to consult with the head of the State Denktas and bring back the replies.

Naturally, lobbying activities are also beginning.

It is imperative not to believe that De Cuellar will read the Turkish proposals at his home over the weekend and reach a decision. It is certain that, at this time, the Turkish proposals are circulated to the U.S., GB and the German delegations and that the views of the capitals involved in the issue are sought. If these countries with the U.S. in the lead, will ask the secretary general "to put the pressure on," obviously the secretary general's reply will be influenced in that direction. The opposite may happen too. Washington may tell him to "initiate his efforts with whatever is available."

It would be naive to see the UN Secretary General as a superman acting on his own.

The additional information which he will receive from Ertekun on the one hand and the reactions of the countries concerned on the other will determine De Cuellar's stand. It is because of this that the Cypriot-Greek and Greek governments send messages to the aforementioned capitals and conduct an open campaign to "exert pressure" on Turkey, since in the event De Cuellar finds this package satisfactory, this time the Greeks will become the objectors.

If disclosures at the Security Council are to be taken into account, the Turkish side puts emphasis on its offers directed towards the final solution and not on the referendum or elections. In other words to carry out the referendum and the elections and to counter this, to satisfy the UN Secretary General with implementing the new proposals presented in the second part of the proposals' package which comprise a federal solution to the issue.

On the other hand, the impressions gathered from the Western circles closely related to the topic here are that in the event that the Turkish side insists on the issues of the referendum and elections, the pressures concerning the Varosa issue will intensify. According to these circles, to attract the Cypriot Greeks to the negotiation table, something must be given, and under the circumstances there may be no other solution except a larger package for Varosa.

However, eventually another question will emerge. As Denktas notes in his published letters "what will happen to the 14,000 Turks living in the west

of the Derinya Avenue of Varosa if that region is put under UN supervision immediately."

The last package presented by the Turkish side may change in the coming weeks. However, no one outside the diplomats who are involved will hear about this so easily (unless if it is leaked) until it is announced formally. Many experts at the UN Secretariat believe that the "diplomatic secrecy" announced by the Turkish side creates the means to work with the contents of the package.

Now we will have to wait for some time. Let us see how this "Turkish demarche," which basically stems from the efforts to avoid pressures by the U.S. Congress will result.

In essence, we are living through a period which might necessitate a review of the basic priorities of the Turkish foreign policy.

9834

CSO: 3554/258

## APEL CAUTIONS SPD AGAINST 'NEUTRALITY FANTASIES'

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 18 Apr 84 pp 1-2

/Text/ fy. Bonn, 17 Apr--Former Defense Minister Apel, deputy chairman of the SPD Bundestag parliamentary group, has warned his party against "fantasies" which would lead to neutralization of the FRG and abandonment of its Western tie. According to Apel, there are individual SPD members who harbor such fantasies, but those who are politically responsible realize that these dreams are dangerous. They are like nightmares to Apel, because he believes it would be difficult for the EEC and NATO to survive such a development, which would make the FRG subject to the interests of the superpowers and would increase the danger of war in Europe. The former defense minister believes that even if no responsible person in the FRG thinks along these lines, all "current steps in security policy" must still be taken so that they do not jeopardize the FRG's Western ties. In an article for the journal AUSSENPOLITIK /FOREIGN POLICY/, earlier circulated on Tuesday by the SPD parliamentary group, Apel writes that the principal task of European policy is to strengthen NATO's "European axis."

Apel expressly warns against overlooking the fact that the goal of Soviet policy is to loosen the union of European and U.S. security to such an extent "that military options in Europe become conceivable again for the USSR." Apel thus concludes that the Soviet Union must therefore always be opposed in Europe by the other world power. He expresses skepticism concerning possibilities of achieving, in the context of a general debate on strategy, solutions which would deviate substantially from present conditions. Apel is aware of the horror of a nuclear exchange, but contends that this cannot be eliminated by creating a nuclear-free Germany. He emphatically rejects everything which would lead to a separate role for the FRG and a situation in which it would be absent from the alliance. He is also opposed to adjoining nuclear-free zones to national borders.

A nuclear-free FRG, Apel states, would be largely excluded from participation in NATO and would run the risk of causing the Americans to withdraw their 200,000 troops from its territory. This alone would upset the East-West military balance. In Apel's opinion, the Soviet Union must realize that it will always be opposed in Europe by the other world power. He does not reject in principle the Palme Commission's recommendation that a nuclear-free zone be established on both sides of the inner-German border, but points out the major

program that would be involved, i.e., that of verifying such an agreement. And he adds that such an agreement would be acceptable only if an approximate conventional military balance is established, noting that disarmament would be the best way to achieve this. In Apel's view, the "presently upset conventional balance between the Warsaw Pact and NATO" would nevertheless have to be achieved by strengthening conventional military capability if this cannot be done through disarmament, in order to eliminate, or at least strongly reduce, NATO's dependence on nuclear weapons.

The former defense minister also just as explicitly rejects the concept of a conventional defense for the FRG deep within its territory, so-called area defense, as well as the ideas of a forward-moving defense, a concept debated in the United States and a type of defense which the Soviet Union maintains for itself. Even the construction of a "Maginot Line," the visible preparation for war in peacetime, is inconceivable according to Apel. In his opinion, it thus becomes clear how little latitude a debate on strategy has if it does not wish to be accused of "substituting illusions for facts. Our latitude derives from the possibility of strengthening NATO's conventional defenses," Apel contends, stating that the goal must be to eliminate the necessity of nuclear escalation and to limit nuclear weapons to the role of deterrence. In his opinion, the NATO strategy of a "flexible response" can only be further developed gradually and without nations having to make the effort alone. Apel writes: "We will regain real flexibility only if the conventional component of our defense concept is strengthened to the extent that conventional weapons actually do have a virtually deterrent character.... Then the alliance will have made considerable progress and taken a big step forward in assuring peace in Europe. But this is impossible without prior assurance of a conventional balance."

Apel recommends that his own party formulate its security policy so "that no one can overlook its statements, so that they are closely related to political and military reality, and so that they can be translated into governmental responsibility." He said that security policy considerations should also be focused much more strongly on the fact that, in view of the military options of both world powers, the danger of a military conflict outside Europe and the danger of such a conflict spreading to Europe have increased. The former defense minister said that consideration must also be given to the danger of developing countries could possibly acquire nuclear weapons in this decade, because the superpowers, in spite of the commitments which they made in the Nuclear Nonproliferation Treaty, have been unable to prevent the number of nuclear powers from growing. Apel maintains that Third World development must therefore be taken very much more seriously than before.

"Above all," he states, efforts must continue for bringing the United States and the Soviet Union, NATO and the Warsaw Pact, "into a partnership for security" and that every effort for superiority must be rejected. According to Apel, Europe must realize that peace and freedom can be maintained only in an alliance with the United States and that a European arrangement for peace is conceivable only with the inclusion of both superpowers. Apel contends that the main task of security policy consists of allowing no doubts to arise concerning Western ties and combining this with a firm determination to continue the policy of detente.



## GREEN PARTY IDEAS PRESENT CHALLENGE TO ESTABLISHMENT

Helsinki SUOMEN KUVALEHTI in Finnish 4 May 84 pp 10-13

[Armed Forces General Valtanen interviewed by Matti Haapalainen and Jukka Parkkari, date and place not given]

[Text] Finland's political parties have received a green thorn in their side, which either swells by itself or spreads within the party. The popularity of the Greens' ideas may sway local politics after the elections even though the favorite is a non-party, which offers a non-program and a non-organization and does not even care much about success.

Politics were easy at the time when M. A. Numminen sat with a woman in the park near parliament building. The left wing walked on the left side of the path and the right wing on the right side. At that time there were no Greens, who do not walk on the path at all, but crisscross through the bushes.

It is somewhat difficult to chat in a familiar manner with the Greens, as politicians are generally prone to do: "What is going to happen now? What are the Gallup polls saying? Isn't it great when one's popularity increases? Give my greetings to your party leader."

It seems that the Greens are not much interested in these kind of things. They do not promise anything. They smirk at the Gallup polls and even election results. They do not have a party leader, a program, and, in general, they do not have a party. It is not possible to write a valid product description about them.

Superficially they appear to have a tough line: a soft thinking, for which they are known and from which answers to several decisions of the future are to be found.

This line is, however, quite multidirectional. Behind it is a mixed community of different thinkers, who promote differing issues somehow, however, under a common green banner.

When asked where they fit on the axis between left and right, they ask in return where the Social Democrats fit on the axis between red and green.

Thus they will not consent to defining their position in politics since they do not approve of the axes which have become antiquated. The division between right and left came about sometime during the civil war and it is immaterial.

Or when they are asked whether it is more effective to sit in parliament than act directly by chaining oneself to an excavator, they ask in return whether it is more effective to eat than to breathe.

And when the party researcher concludes his questionnaire with the inquiry, what organ answered the questionnaire, Ville Komsa writes "heart and brains".

However, the Gallup polls know that the Greens' popularity is increasing at a dizzying rate. Recently, it has been around 6 percent, and will perhaps be even higher by the time of the municipal elections. At one time it was calculated that 27,000 Social Democrats, 20,000 People's Democrats, Conservatives, and Rural Party members each, 16,000 Center Party members, and several thousand diverse supporters of small parties have become supporters of the Greens.

After the "Lindblom-discussion" of Social Democratic energy policy, the estimates of Green Social Democrats reached more than the 100,000-mark.

Even MP Ville Komsa, Licentiate in Political Science Osmo Soininvaara, editor Taina Bertell, and legislative councilor Paavo Nikula, former justice minister and chairman of the Liberal People's Party, can talk about Green ideas. But even they do not have the authority to speak for the whole group, but for its various parts, since there is no generally accepted definition of the Greens. They cannot be categorized or put into any particular slot. No one will answer for the other, and no one, for example, knows how many Green election alliances have been established.

"It is a question of a revolt of the obedient. A question of the desire of forgotten youth to make themselves heard," says Paavo Nikula.

"One can talk about the Greens as a sociological concept, but not as a faction of political struggle. Those in whose opinion things cannot continue as they are have gathered under this concept," explains Osmo Soininvaara.

"The most important thing is the radicalization of the average person and bringing their thoughts and actions to the family and, for example, to daily household work," states Taina Bertell, an activist in the women's movement.

"Being Green is a pattern of thinking in the same sense as leftwing thought and rightwing thought, but not, for example, as the Social Democratic Party or the Conservative Party," states Ville Komsa.

#### Many Shades of Green

In order to understand the ideals of the Greens in a satisfactory manner, one must apparently experience a kind of awakening or at least free oneself from a former way of thinking. One must reject the idea that parties and factions are in some kind of order and that the making of politics means sitting in a work

group, in parliament, and in a committee together with taking a vote every other hour.

Who then are these righteous ones for whom this world of ideals has opened up? Many kinds of people, say the Greens themselves. Former able Social Democrats, Center Party members, People's Democrats, Vennamoites... Grandmothers as well as punk rockers are patting Ville Komsi on the back.

The political background of the Greens reflects the usual structure in elections: 60 percent bourgeois, 40 percent leftwing. Three factions are slightly over-represented, says Soininvaara: the Liberals, Rural Party members, and People's Democrats.

But the Greens do not make up any kind of separate 6- or 9-percent phenomenon. "It extends everywhere and its boundaries are not defined. It runs in all directions".

Ville Komsi has sometimes written as if from the gospel: "When someone comes and says he is a Green, look at him closely and learn to know him. He will not have any kind of a letter of recommendation -- such are not distributed. He may appear to be a nice guy and then again not. And he can change, as we all do. When someone comes and says that he is not a Green, look at him closely and learn to know him also. He may also be a good guy and then again not. And he may also change."

#### Radical Housewives

The Greens do not consider themselves to be a passing fad. But, of course they are to some degree -- "there are always those who go with the tides". But the major portion of their supporters are completely serious, argues Soininvaara, who has been out in the field.

In his opinion, society is now facing some rather great changes. Truly radical opinions are appearing at a surprisingly rapid rate: "Mothers are almost the most radical segment of society. In general, the environment is seen so graphically that understanding it can become an intimate thing to anyone regardless of their method of thinking or education."

Nevertheless, the traditions of party politics and a fear of the boss are persistent. People are of the opinion that they should "join" something, there is a desire to be labelled as the making of politics is somehow separate from how we eat, how we live with our families, and how we work.

Eastern Finns form local organizations without any further ado, but people call parliament from Western Finland and ask whether they can form an election alliance of Greens or how to join the Greens. No answer, however, is forthcoming since no one has such authority. Anyone can be a Green as he pleases if there is such an inclination.

"We could, of course, say to sign a membership application by tossing a stick in the water and then maintain a telepathic communication."

## Hallelujah Doctrines Are Avoided

A contradictory and "excessively wise" image can easily arise from an idea. Its principles are the principles of the intelligent even though its practice is perhaps even quite close to the average person. The vague concept that the Greens promote good causes such as environmental protection and clean air and do not stoop to the "political game" is perhaps sufficient for many.

But the Greens' philosophers do not even approve of this. They want to be so good that do not consider themselves to be good. There is something Christ-like about this. It already becomes a rather complex philosophy: if you strive to achieve unconditional goodness, are you not already too good -- if you know how to avoid excessive goodness, are you not then even better. "We should beware of such a hallelujah doctrine," states Ville Komsa.

Very familiar phrases flash through the language used by the Greens, "forgotten youth, subservient, policy line, traditional parties". Decadent gentry is, indeed, missing.

Are they then gentry of a Vennamoite stripe?

Not in their own opinion. "The Greens have a different color  $\pm$ karma' than the Vennamoites, it comes from different emotional situations. The SMP [Finnish Rural Party] proceeded from a bitterness arising from its experiences, the Greens tend to take care of matters while looking at knowledge and the future. This is a decisive difference," explains Paavo Nikula.

The Greens are not ashamed of their own elite, but they consider parties to be even more elite. The composition of the Greens' elite corresponds rather closely to those social and age groups which have more or less accomplished all of history's revolutions.

"We cannot do anything about the fact that society is unequal in such a way that for some it is easier to function and acquire more information than others. Spartacus was undoubtedly fed better than the other slaves so that he was able to make trouble," thinks Ville Komsa, who has already recovered from a hunger strike.

Even in the Green movement there is a question of a revolution, written as separate words, however, overthrow of power.

## Playing Politics Not Only Salvation

Popularity and election victories do not make the Greens burn with enthusiasm for the reason that they consider participation in parliament and committees to be only a part of politics and not necessarily the most important thing.

"Sometime about 10 years ago the new leftwing's interpretation was that everything is political and nothing else has any meaning. Now we are beginning to comprehend that people's private life and public goals are not necessarily intertwined."

Their understanding of present party activities is weak. Deals are made in which agreements are even reached on who will be able to propose what. And the wrong people making motions have ruined many good proposals. The Greens say that they are using this ludicrousness to their advantage: they feed ideas to others, who, in turn, can propose them as their own and in their opinion use a tremendous amount of power.

Another factor depreciating election victories is the fact that the Greens want to have a much greater influence than what can be achieved just by their own efforts. They consider that they already influenced the parties: consideration is being given to new kinds of issues in the decisionmaking process. "Officials pass information to us unofficially."

The Greens are putting pressure on the parties internally also. The SDP already experienced this in the Lindblom-discussion, and the same can happen elsewhere. Osmo Soininvaara is, indeed, afraid that Seppo Lindblom's speech supporting economic growth, which is worth in itself, will be followed by absolute silence: no one will dare to say a crosswise word about Green ideas even if they wanted to.

Soininvaara predicts even greater internal Green difficulties for the Conservative Party: "There are quite a few people in the Conservative Party who because of their education are aware that things cannot continue as before."

According to the Greens' interpretation, this circumstance will result in the fact that it will not be possible to isolate them in politics. Even the SDP and the Conservative Party resort to traditional cooperation in local politics against the Greens, they will be subjected to great internal difficulties.

The Rooster Asked the Cat to Come Along...

Even though the Green movement emphasizes "integration", it itself is also comprised of many different objectives and factions, on the basis of which the concept of the whole movement has been formed. In the background are issues concerning the women's movement, environmental protection, "universal responsibility", the peace movement, "the movement of the poor", as the Green disabled call themselves, educators, nursing home and hospital personnel, generally sensitive people, and a guardianship society.

This is one reason for a lack of organization. Ville Komsa believes that "a devil of a conflict" would arise if, for example, it were necessary to compile a joint municipal election program. Concluding a debate by means of taking a vote on a decision is a way to get around a lack of organization.

Democracy is not an absolute value for the Greens. They emphasize an ability to tack. "Even in other tasks calling for tack the best results are not achieved by a large group.

"People should be given an opportunity to realize their own goals even though consideration is given to solidarity. The present rigidity with all its forms and quirks can easily swing to the other extreme, Reaganism or extreme selfishness.

"One must learn to act alone and in cooperation," says Taina Bertell. This brings to Komsí's mind the old story, in which the rooster went on a trip and asked the cat to come along and the cat asked the cow to come along and so on -- and at this time several thousand small Greens are marching forward along a sunny path and do not really know what they will do when they come across a creek.

In any case Ville Komsí says that he is now generally in a more optimistic frame of mind than 5 years ago even though he despairs from time to time. "The sun does, indeed, shine brighter now and many people have somehow perceived something."

In addition to Ville Komsí, in public the Greens are known for Kalle Konkola and various small factions and also for civil disobedience. This is still a consideration. They were close to such an action in Kylasaari. This will be a consideration again in Pori at Kemira's plants -- although not at the initiative of the Greens.

Society has, however, learned to avoid direct actions or circumvent such decisions which could be effectively affected by civil disobedience. Kylasaari was put under control, but the throw-away culture continues as before. Recycling has not become a fact of life and the production of waste has not diminished.

"Vote for Others -- We Are Not Able"

In Soininvaara's opinion some unscrupulous party boss could take the Greens to a large election victory in individual elections. But this would not promote the cause. "We do not want to engage in any cheap tricks in order to just make gains."

Soininvaara even discourages voters. Many war veterans have made contact with him, but he "does not have the moral right to say, vote for us and everything will be arranged". The veteran issue has been neglected in the opinion of the Greens also, but they do not have the power to rectify this situation. Therefore, they are urging the veterans to trust in those who are now in power and who can accomplish something.

However, judging from everything, the Greens are at this time operating with that very degree of effectiveness by which approval is increasing more than ever. They are for the people like an indifferent fiancée whose very indifference is so exciting.

Do No Want Environmental Post

The Greens cannot really imagine a minister's portfolio for themselves even though they proceed from the fact that responsibility must not be avoided if it should come one's way. Many of them are of the opinion that there are better pastimes than to sit in parliament or in the government, but others consider that if they themselves do not use power, someone else will use it less effectively.

They do not want to become environmental minister under any name: an important post must be occupied by a person from an important party, preferably a good friend of the finance minister. It would be ideal if the environmental minister were Ahti Pekkala's cousin.

This does not, however, mean that the Greens would be satisfied with the present Environmental Ministry. To the contrary: "It functions in a deplorable manner, it is filled with rancorous human relations and incompetent officials. It is a kind of fashion to accuse us by saying, look at what you have now caused."

Nevertheless, it is good to have an Environmental Ministry in the opinion of the Greens so that someone can be blamed for poor management of the environment.

10576

CSO: 3617/162

## PAPANDREOU DISTANCES PASOK FROM EUROPEAN SOCIALIST PARTIES

Athens | KATHIMERINI in Greek 6 Jun 84 pp 1, 3

/Text/ Premier A. Papandreou, in a "leftist analysis" of the PASOK ideological structure, gave a clear-cut distinction between PASOK and the other socialist parties in Europe. Replying to a question at the press conference he gave yesterday in Helsinki regarding the relations between PASOK and the Socialist International, the premier and chairman of the Movement accused indirectly but clearly the other European parties--sharing a similar socialist title at least--as being protectors of capitalism and characterized the Socialist International as a collective organ which plays the role of overseer and which intervenes in the policies of the socialist government-members.

"We do not belong to the Socialist International because we do not want to participate in collective organs which could determine the policy, and especially the foreign policy, of our country. This, however, does not mean we do not have excellent relations with parties which are members of the Socialist International.

"We do not belong to the International," Papandreou went on, "because in our country--which had negative experiences from protectors and overseers--we are trying to develop our own course.

"Secondly", Papandreou added, "we are not social democrats, we are socialists. Of course we have many similarities with the social democratic and labor parties--those you call in Scandinavia 'not bourgeois'--but there is a significant difference regarding the objectives and specific actions. We do not want to save capitalism. We believe, at least for our country, the change must go deep in transforming the institutions."

#### Distinctions

Justifying the socialist views of his party and their implementation in the economic sector, Papandreou avoided precise definition of the term "nationalization" and again underlined the terms "decentralization" and "democratic participation of the people" in the productive process.



Papandreou said specifically that "what distinguishes PASOK from the views of other labor and social democratic parties and is a basic goal of the government is that the state must decrease instead of increasing its presence.

"We must move forward at the fastest possible pace toward decentralization so the citizen can participate in all the decisions that concern him. This has tremendous importance for Greece because our country has an exceptionally centralized structure.

"For us, decentralization, a healthy syndicalism, and the fulfillment of democracy constitute a basic element of our policy and our definition of socialism."

7520

CS0: 3521/261

## PASOK URGED TO PROCEED TO PERSONNEL, DECISIONS REVIEW

Athens ELEVTHERTOTYPIA in Greek 21 Jun 84 p 8

[Text] A top-priority need is for the government and the PASOK leadership to investigate in a systematic study the reasons and causes which have led to the outcome seen in the Euro-elections. An outcome which on the one hand may once again bar the way to the Right, but which has showed clearly that there are malcontents. And it would be naive and unrealistic at the least to say that all these were...plutocrats who have been inconvenienced by the socialist measures of the government.

The reasons for this discontent are various. And they must be pinpointed according to region. For example, in Athens it may be related to the economic policy of the government and more particularly to the see-saw practices which have characterized the policy of the Ministry of Commerce for 2 1/2 years now. But in the mountainous Fokis area with its poor villages, the complaint of the residents that they have been forgotten by the representatives of the government may play a role.

Unfortunately, following the abolition of the cross vote there are some deputies who are concerned less with the problems of their district and its people and more with hanging around under the heels of the party officers, on whose decision will depend their participation and their position on the ballot.

In other areas, what has been offensive is the belittling of the office of deputy by a limited number of party officers, who delight in "giving orders" to the elected representatives of the people in the presence of the others. Elsewhere discontent has been created by the use of a supposedly leftist and frequently incomprehensible phraseology which alienates from its natural base a portion of PASOK's force of officers.

Also there are quite a few cases, unfortunately, where entire villages have been offended by the fact that certain governmental officers are developing bossist practices and are appointing their personal friends to posts, even when these persons "were all-powerful" on behalf of the Right, while simple and honest fighters for Change and young people with skills are being neglected.

At this time a serious screening is essential. Both of persons and of decisions. A search for self-knowledge with respect to the Change is needed. Mistakes are human and pardonable, when they are recognized and rectified. But persistence in these mistakes leads to a dangerous path.

The Change promised--and this promise was never retracted--to be an expression of the popular movement. Therefore at this time it must bend down to the people and ask them: "Tell me where I have gone wrong." It has many things to learn from such a course. In the elections, the people listened to the speakers of PASOK. Now it is time for the most receptive officers of PASOK to listen, in small local meetings, to the opinions, criticisms, and suggestions of the people. Not via "filters" of the party machinery. But by means of a direct dialogue.

12114

CSO: 3521/280

POLITICAL

GREECE

PASOK PARTISANS STAFF POLICE RIOT UNITS

Athens MESIMVRINI in Greek 1 Jun 84 p 2.

/Text/ The government, instead of dissolving the Units for Restoring Order /MAT/ as A. Papandreou promised in his pre-election "contract" with the people, strengthened them with several hundred policemen who...by coincidence are all considered to be "green guards" for known purposes as it has been proven lately.

It has been reported that the 380 policemen who graduated a few days ago were not placed, as was done since the beginning of the City Police, in precincts to gain some experience and then sent to specialized services. By order of the Ministry of Public Order they were sent "to complete" the force of the MAT.

Since almost all 380 policemen were accepted by the School on the basis of "recommendations" from PASOK branch organizations--according to reports at the time--one can easily understand the purpose of their placement in MAT.

It is worth noting that a few days before the graduation the headquarters of the City Police had prepared documents for their placement in Athens, Piraeus, and Patras to cover the tremendous need of the precincts and to improve police protection. The orders were voided by Minister Skoularikis who ordered their placement in MAT to create a body of Praetorians the government needs to implement its dictatorial methods.

7520

CSO: 3521/261

## RETIRED MILITARY, POLICE OFFICERS REPORTEDLY WORKING FOR ND

## Organization's Structure, Members

Athens TO VIMA in Greek 3 Jun 84 pp 6, 7

/Article by Mikh. Dimitriou/

/Text/ For several months now, hundreds of retired officers of the Armed Forces and the Security Corps have been systematically and noiselessly activated for the New Democracy partisan goals through certain mechanisms of the party. Most of them have formed the "branch organization of the generals," headquartered in Ipiti Street No. 3, near Plaka.

There are over 700 retired officers of all ranks and weapons, including certain anti-dictatorial rightists like Ioan. Minaios and some "dictatorial droplets" like retired police officer Nikolaos Gournias.

Reports in the last few days attribute antidemocratic connections and activities to some of the "organized generals."

In a formal press release the ND denied the existence of retired officers in the staff organs of the party. It added that their party organization is acting within the context of legality.

On the other hand, the security services have information that certain retired officers of the ND have close ties with the party's pre-election mechanism and with certain "militant groups," while others--such as certain ones in Salonica--have wider extreme rightist objectives.

The retired officers were activated mainly in four sectors of the ND party machinery. These officers flooded the party after Ev. Averof assumed the party leadership and retired General Pericles Papathanasiou assumed the party's general directorship.

The first sector is the branch organization, the second the regional organization, and the other two, the Parliamentary Work Groups of the Ministry of Public Order (headed by Fthiotis Deputy Georgios Manikas, a candidate of the "National Camp" in 1977) and of the Ministries of National Defense and Foreign Affairs (headed by Khania deputy and former minister Kon. Mitsotakis). Several

retired officers participate in these committees, either as politicians or as experts. These committees deal mainly with the study of bills and the preparation and introduction of questions and interpolations with "material gathered from the two ministries."

#### Closed Compartments

Most of them have asked that their names not be made public and until today the "closed compartment" has been kept.

The regular Thursday meetings of the committee for the Ministry of Public Order are attended by retired police officers Khristos Karathanasis, Spyros Pilos, Georgios Akrivos and Georgios Saketos, retired gendarmerie officers Georgios Mantis and Georgios Manolakos (the father of extreme rightist ONNED deputy chief Manos Manolakos) and the former chief of the Fire Fighting Corps, D. Xifaras.

If some of them, like Saketos, Pilos and Akrivos, are considered to be moderates, other regular and cooperating members favor a "dynamic criticism of Marxist PASOK" and they are trying to impose their view on the central leadership of the party on Rigillis Street.

The participation of extraparliamentary members and especially retired officers in the committees of the Ministries of National Defense and Foreign Affairs has been kept secret until now. Except for former diplomats Tzounis, Lagakos, and Theodoropoulos, the regular members include retired Navy officers Giannis Vasiliadis and Odyseas Kapetos (the known former chief in the case of wiretapping), Diakoumakos (Air Force), Lt. Gen. (Ret.) Ath. Papanikolaou (Army) and Brigadier (Ret.) Manetas (Army), a politician in Fthiotis.

#### Organization

The third non-branch sector using retired officers is the Central Committee for Regional Organization, headed by Athens Second District Deputy Giannis Varvitsiotis. Unlike the staff work done by the retired officers in the Parliamentary Work Group /OKE/ of the Ministries of National Defense and Foreign Affairs, the retired officers in the Regional Organization have executive responsibilities. They have been appointed branch leaders and liaisons of the Central Authority with the NOME Committees. Each has two or three nomes under his organization and other supervision.

These retired officers are Navy Rear Admirals Stefanidis and Argyropoulos, Harbor Command Corps Maragos and Mitrouasileiou, and Army Major Generals or Brigadier Generals such as Gianakitsas, Giamas, and Khatzostavrou.

The secrecy does not prevent close cooperation between branch committees and the machinery of the party organization. The retired officers, who are said to participate in one committee, also have influence on one of the key leaders (for example, Tsepapadakis, Mitsotakis, Iliakopoulos, or Averof) or a behind-the-scenes participation in dynamic partisan activities.

## Forceful

It is said that among those who are participating in such activities are certain forceful retirees of the branch committee who are, however, accused by their in-party critics that "at home not even their wives listen to them!"

Of course, some of these hotheads of the branch committees simply blow off steam in coffee shop plans and dreams, while others have joined the party to "go the offices of ND instead of going to the Flokie Pattiserie."

Nevertheless, there are some in Athens and in Salonica who are said to be capable and determined to form paramilitary groups and to act in ways similar to the pre-dictatorial period.

Among them are some who elbowed out of party activity many pro-Rallis retired officers such as Khoukhoulis, Kalamakis, Bratsos, Kritikos, Vazaios, Karadimas, Rizas, and others.

The idea of creating a generals' branch organization, which started to take form in the middle of 1983, initially had noble motives. The effort was headed by the former minister of the Merchant Marines and former deputy for Argolis Ioannis Minaios, a retired rear admiral, known for his anti-dictatorial activity. There were previous complaints that the party did not use the retired officers, but the experience from the use of some of them in early 1982 (when they conflicted with the political staff of the party headquarters) made E. Averof very reluctant.

Moreover, there was a risk that many of the retired officers--who love to talk politics in the coffee shops of Syntagma Square and University Avenue--would be captured by extreme rightist elements who had already started to approach them.

In the spring of 1983 Averof decided to carefully move forward toward organizing the retired officers. On 14 June 1983 the general director of the party, Nikos Mathioudakis, signed an invitation addressed to approximately 300 retired officers. The letter included the business card of Minaios who was acting as liaison.

## How Many Came

Some 110 retired officers responded to the invitation, while 2 or 3 protested to extreme rightist newspapers that "we are asked to help those who put the honest officers in jail." The leading group, which had gathered 300 addresses of retired officers, decided to be more careful.

Who were the members of this leading group which created the branch organization and continues to act as its provisional leadership?

In addition to Minaios, the group included retired Lt. Gen. Spyros Iliakopoulos (who was later appointed chairman of the branch organization), former Police Chief Mikhail Laos, Maj. Gen. Zakharakis, former Chief of the Harbor Command Corps A. Karamitros, Maj. Gen. of the Air Force Tsirkas, and Rear Admirals Khr. Douzinas, Gofas, and Vrionis.

Early last fall--following meetings between the leading group and contacts with other retired officers--approximately 120 retired officers met in the garden of the Rigillis Street headquarters. There they spouted about social dangers and offered arguments on the need for "creating our own party organization," which they then decided to form. But they all agreed that it should not be called a branch organization because "it is not appropriate to the prestige and stature of the Greek officer, even of a retired officer." At the same time they did not want to become "messenger boys" for some of the "boutiques" (sections of the party headquarters) which are guided by "aspirants" and "deputy aspirants." They wanted to be independent.

Finally, it was decided to form a special directorate--that of National Affairs and Defense and under this ponderous title they added Sector of Retired Officers, Armed Forces and Security Corps--in other words, the branch version of the directorate.

In spite of the impressive title, until now there has not been any special activity of the retired officers beyond their narrow branch interests.

In November, several initiatives, contacts and the dispatch of 600 letters to newly retired officers led to 2 more party meetings in the garden room. One was given a fighting address by E. Averof (to the standing guests) and the other was addressed by Con. Papaconstandinou. The desire to expand the membership led certain officials of the branch organization to lower the standards and accept all except the "proven juntists."

Today, according to responsible information, approximately 700 have joined the branch organization but only 200 of them attend the briefings (given once a month) by G. Varvitsiotis, Athan. Taliadouros, Vas. Kondogiannopoulos, Sot. Khatzigakis, and Them. Vyzas on issues related to their previous ministerial posts or to their specialties.

Certain other retired officers who participate actively in the activities of the branch organization are:

From the Army, Maj. Gen. Georgios Giavas, Dafnis and Georgiadis, and retired Brigadier Generals Theodosiou, Tarambikos, and Skoumbis.

From the Navy, Rear Admirals and Captains Sp. Soulis, Khatzimikhalis, Georgakopoulos, and Bekes.

From the City Police, N. Gournias, N. Bourdakos, Con. Khronopoulos, Gallos, and Kostopoulos (former deputy chief).



From the Gendarmerie, Lt. Generals Aloumanis, Poziopoulos, and Kyriakoulakos.

From the Harbor Command Corps, Captain Melendis.

#### Complaints

Many of them complain that "we work for our camp and for Greece but our natural leaders have deserted us," referring to Davos, Gratsios and Karadimas.

Others aim at Georgios Vorrias, the military advisor to the president of the republic. As revealed by TA NEA on Thursday, the branch organization has established a chapter in Salonica presided over by Army Lt. Gen. (Ret.) Judiciary Anastasio Bokovos--brother of the Salonica deputy and former ND minister. The chapter was established on 17 April following a written memorandum signed by 480 retired officers of the Armed Forces and the Security Corps who reside in Northern Greece.

The former nomarch of Grevena, Dim. Avramidis, was appointed general secretary of the Salonica chapter while certain leading members in this group are retired officers who are said to have dark spots in their military careers.

According to information from VIMA, leading members of the Northern Greece organization are former Superior Commander of the Gendarmerie, Nik. Routsis, Air Force retirees Andreas Exadaktylos, Nik. Vaitzos, Eythimios Khatziris, Con. Kalaitzis, and Eystratiou. Also, Army retirees Lt. Generals Topouzis, Valmas, Papanikolaou, and Mantis, and Maj. Generals Dim. Khrysikos and Traianos Traianos.

After Salonica it was decided to form a branch organization in Patras (mainly from Security Corps' officers) and in Ioannina (mainly from Army officers) with Maj. Gen. Dafnis from the central organization of Athens acting as coordinator.

#### Salonica Activities

Athens ELEVHEROTYPIA in Greek 1 Jun 84 p 5

/Article by G. Eytykhidis/

/Text/ Army officers on active duty in the Salonica area lately received letters from the ND party with political content. The letters were sent by the recently established Directorate on National Issues and Defense--Sector of Retired Officers of the Armed Forces and Security Corps of the Salonica ND organization.

#### Rally

The directorate mailed letters to retired as well as officers on active duty inviting them to work for "the crushing of the left-Marxist and dark forces."

The officers were invited to come to the offices of the ND "to give support with their prestige to the general rally called by the proud class of retired officers." Such a letter in a ND envelope was received the other day by a colonel.

The officer (his name, letter and envelope are in the hands of ELEVETHEROTYPIA) yesterday charged that "the retired officers have a complete list with the names of officers on active duty and sent letters to them without keeping up appearances. This came out through the questioning of my friends, both active and retired officers."

The colonel questioned the purpose of the invitation "to come by our offices" and stated that "all these indicate that the goal is the creation of a paramilitary organization within the Armed Forces to bring about a situation reminiscent of the pro-junta period when similar actions, which were not averted, brought about the overthrow of the constitution and the democratic system."

The colonel revealed that all his fellow officers received letters which gave no indication of the retired officers' rank to keep secret as long as possible the illegal activity of the ND.

By contrast, the rank is mentioned when the letters are addressed to retired officers.

The letter received by the colonel reads:

"New Democracy  
Directorate of National Issues and Defense  
Sector of Retired Officers of the Armed  
Forces and the Security Corps  
Salonica Chapter  
(Tsimiski Street 80. Tel. 281-102)

Dear Fellow Officer:

The Central Headquarters of the New Democracy party established the Directorate of National Issues and Defense over the Sector of Retired Officers of the Armed Forces and the Security Corps.

This is a place for the retired officers who belong to ND to get together and express themselves politically.

Following the above, we request that you come by the ND offices where the Salonica nome Chapter has its offices to give support with your prestige to the general rally called by the proud class of retired officers.

Our dynamic presence in the political area of ND will make possible the crushing of the left-Marxist and dark forces which prepare slowly but surely the obliteration of our country with the abolition of freedom and democracy and its inclusion in the anti-democratic, non-free states of the Eastern or Third World Model.

With comradely fighting greetings,

The Chairman  
Anastasios Bokovos  
Lt. Gen. (Ret.)"

#### KYP Involvement; ND Denial

Athens ELEVHEROTYPIA in Greek 2 Jun 84 pp 1, 6

/Article by G. Etykhidis/

/Text/ The KYP office in Salonica has started an investigation following yesterday's revealing report in ELEVHEROTYPIA concerning the activities of retired officers affiliated with ND, calling for "unification" with political goals of officers of the Army on active duty serving in units stationed in Salonica.

According to information from ELEVHEROTYPIA, parallel investigations are being conducted by the A2 officers of the military units to find out how many and what officers have received letters--a copy of which we published word for word in our newspaper yesterday.

#### ND Remains Silent

Characteristically, the ND in a press release yesterday made no reference at all to the ELEVHEROTYPIA disclosure on the activities of the Salonica retirees, while it stated that the ND staff in Attiki included no officers of the Army or the Security Corps--retired or on active duty.

According to ELEVHEROTYPIA reports, KYP in Salonica is investigating how the lists, with the names and addresses of the active officers, came into the hands of the ND retired officers. This aspect of the case is considered by KYP as the most serious element concerning our national security.

The KYP is also investigating the possibility that the lists "leaked" in one way or another to the "side" that could hurt the nation at a given moment.

The KYP further seeks to find out if the letters constitute a violation concerning our national security and the "unity in the Armed Forces."

#### Indignation

The revealing report of ELEVHEROTYPIA caused a strong reaction--following the charges of the colonel--among his colleagues--the democratic and loyalist

officers who received letters at their homes from retired officers connected with the ND Salonica organization.

Some of them visited the Salonica office of KYP or sent the envelopes and letters with the ND identification as proof of the activities of the retired officers.

The case is also being investigated by the judicial authorities for the possibility of law violations. A copy of the letter is in the hands of chief prosecutor Irakleidis.

The Attiki Euroelection Committee of ND issued this statement:

"The government, in the climate of its panic, and certain government-supporting newspapers, speak falsely about 'the systematic and organized presence of retired officers in the leading organs of the electoral campaign.'

"The public knows the broad democratic, political organization and base of the ND. By coincidence, no military officer of the Armed Forces or the Security Corps, retired or on active duty, is participating in the leading organs of the electoral campaign while it would be absolutely proper to do so, because in their overwhelming majority the officers are imbued with democratic principles..."

7520

CSO: 3521/263

## SMALLER PARTIES' POSITIONS ON POLITICAL FUTURE

Athens I KATHIMERINI in Greek 24-25 Jun 84 pp 1, 15

[Article by Nikos E. Simos]

[Text] Important movements have already begun to be noted among the small parties which are active within the spectrum from the Center to the pro-European Left. These movements are situated within the framework of the political survival of these parties, following their decimation as a consequence of the polarization which has happened, and they are aiming either at a continuation of their autonomous presence in the political limelight, or at certain cooperative efforts with those large parties which are more closely related to them ideologically. Of course, this is something which in the long run reduces any possibilities for the survival of configurations which could insert themselves between the "duelists" on each occasion, thus preserving a parliamentary democracy of many voices at the expense of bipolarity.

At this moment the most serious developments are taking place within KODISO [Democratic Socialism Party], whose problems have swelled not only as a consequence of its sensational electoral collapse, but also following the politically highly-charged resignation of its chairman, I. Pasmazoglou. In an effort at an immediate settling of these problems which would ensure that the party remains in the political forefront, two contrary movements had developed which voice an equal number of "solutions."

Thus, one movement represented by Kh. Protopapas and G. Krimbas maintains that KODISO must support PASOK and cooperate with it just as the EDA does. Its differentiation from the governing party will be its pro-European character alone, whereas on all remaining issues there will be a full identification, as on the socializations, on certain issues of foreign policy, on the health system, and so forth. What the spokesmen for this movement do not know at present is what kind of popular reaction might be produced by such an initiative on their part. However, according to assessments by political observers this reaction will be rather insignificant, given that at the present moment the initiative will come to manifest itself in a period of major cracks in the coherence of the governing party (case of Fotilas and of others who are coming after him).

It is noted that on 30 June a provisional congress of KODISO will be held at which the supporters of this movement will try to pass Protopapas off as the provisional chairman.

The second movement has Andonis Drosopoulos as its spokesman and is supported by members of the Central Committee and by some of its Salonica officers.

This movement considers it necessary that KODISO state publicly and clearly that (a) its political identity is that of the Western type of democratic socialism, which supports European unity, (b) this party is on the side of other parties which are in favor of parliamentary democracy and not in favor of the establishment of a single-party state, (c) KODISO denies that PASOK has the right to claim socialist titles, because in essence it is a Third-World party.

The strategy which this pro-European wing of KODISO regards as the proper one is to engage in constant attacks against PASOK which will aim at questioning its socialist character, in such a way as to set up a claim on the one hand to the pro-Europeans from the governing party and on the other hand to those dissatisfied with Averof from the New Democracy Party.

It is asserted that the pro-European wing of KODISO has the support of the Socialist International, from which the premier has finally cut all ties of any kind. Even leading officers of the New Democracy Party (Boutos-Stefanopoulos) realistically see the need for the survival of a pro-European political faction in the camp of the social-democratic Center, which will strengthen the system of many voices and will help to bar political polarization.

#### The KKE (Interior)

In contrast to the other small parties, in the KKE (Int.) a post-election euphoria is prevalent despite the reduction in its strength in relation to 1981--a euphoria which perhaps is justified since this party managed to save itself within the heated political climate which prevailed.

One of the issues being discussed in the party at this moment is the possibility of changing its name, on the grounds that such a change could broaden the social merits of the criticism which it is leveling about the dictatorial and anti-democratic behavior of the PASOK government.

In his election-campaign speech, Leonidas Kyrkos as well had referred to such a possibility.

Another wing in the KKE (Int.) maintains that for historical reasons and because its force of officers comes from the traditional communist Left, it is not expedient for there to be a change in the name "because we may lose some officers." At all events, the KKE (Int.) as a whole is concerned, in terms of the strategy which it will be called upon to follow, with the occurrences of attacks which it is suffering from within PASOK.

Characteristic of this is how disapproving Deputy Minister of National Defense P. Zakolikos was when he spoke about the KKE (Int.) to his inner circle, in charging this party with making war on PASOK and stealing votes from it. Hostile statements have also come from Koutsogiorgas, who in fact has proposed an expulsion from the party machinery of those who are known for their official ties with the KKE (Int.), such as P. Xithalis, vice-chairman of the DEP [Public Petroleum Corporation], A. Mitsos, and others.

#### The ESPE and the Others

Meanwhile, the ESPE [expansion unknown: possibly Ergatiki Syndikalistiki Parataxi Ellados--Workers Trade Union Faction of Greece?] of St. Panagoulis and the ASKE [expansion unknown: possibly Agonistiki Syndikalistiki Kinisi Ergazomenon--Militant Workers Trade Union Movement?] of Kargopoulos have come to a certain initial agreement as to preparations for a broader dialogue in the first week of July and as to decisions to be made by autumn concerning what will be the further course taken by the officer forces of these two parties.

According to reports, the proposal by Panagoulis is to cooperate with whichever party will have given them the most political advantages, but with preference being shown to cooperation with the KKE.

In EDIK [Democratic Center Union] an attempt is being made by many officers to persuade Zigdis that distinctions based on the model of Pesmazoglou should be withdrawn so as to pave the way for a cooperative effort with KODISO.

Moreover, the "liberals" of Nikitas Venizelos have not reached a final decision concerning in what directions they will lean--although in any case PASOK should be excluded--but they are ready to use as their big trump the percentage which they achieved in Crete, almost 60 percent, with their chief argument being the fact that on this large island they turned out to have a stronger influence than even Mitsotakis himself.

12114

CSO: 3521/280

## POSSIBLE TURKISH RETURN TO FUNDAMENTALISM PRESAGES DANGER

Athens MESIMVRINI in Greek 2 Jun 84 p 12

/Article by columnist Katerina Daskalakis: 'The Turban' /

/Text/ I imagine you read yesterday that Turkish women decided to go back to the turban and the feretze and that later (why not?) they may start going out to public offices and the universities "adopting a more religious and conservative attitude which is closer to the conservative Islamic convictions of the present Turkish prime minister."

Don't rush to say "we don't care" because we should care a great deal. The times are becoming increasingly strange in this troubled Mediterranean basin--in the end the greatest possible threat emerging on the horizon--which is in one way or another cloudy--is the revival of an obsolete fanaticism reminiscent of the Dark Ages and which can bode no good.

Do not underestimate the significance of symbols. The chador, turban, and the feretze are not just small or large pieces of cloth of interest only to fashion designers or merchants. They are symbols. The West understood that we faced a dangerous return to the past with unforeseeable consequences only when the Iranian women came out into the streets brandishing machine-guns and covered from head to toe with the black chadors of Moslem apocalypse. It seems to me it was at that point that the various "progressives" who had hastened to greet the "great victory of the Iranian revolutionary forces" stopped cold.

Yes, we should care about the turbans and the feretzes of all kinds. They mean we should keep our eyes and ears open. They mean that Turkey which--after the "intervention" of Kemal--claimed a more cool-headed attitude in the Islamic world, and the blinders of religious fanaticism is returning to its original patterns. This is not an isolated phenomenon. No social-political phenomenon on our planet is unrelated or independent. It is added to a chain of developments which has caused concern to Western complacency for many years now, possibly since the beginning of the 1970s.

...I want to say that an aging Europe, often preoccupied with vague problems it baptizes as theoretical, lost in a strange climate between nostalgia and resignation, passes by the symbols.



As far as we are concerned...We are lost in stupid, narrow-minded partisan antagonisms not worth a penny. We say one thing one day and another thing the next. We flirt with some miserable Third World nonaligned members (most of them wear chadors and feretzes) and we do not try to find our true cultural identity which is that of the West since the West took its own identity from us. The Third World talks and the Middle Eastern chanting may be interesting only for folklore festivals, and only when the turbans do not grow in numbers--threatening--next door.

7520

CS0: 3521/261

## PAPER EXAMINES PRINCIPLES OF PALME FOREIGN POLICY

Stockholm SVENSKA DAGBLADET in Swedish 14 Jun 84 p 2

[Editorial: "Palme's Foreign Policy"]

[Text] Today Tidens Forlag is publishing a book with the lofty title "Sveriges utrikespolitik" (Sweden's Foreign Policy). From the standpoint of truth in advertising, it would be more informative if it were called "Sweden's Foreign Policy--And Palme's."

Most of the 114-page book consists of speeches, more or less related to foreign policy, delivered by the prime minister from the time he regained power in 1982 to the opening of the Stockholm Conference in January of this year. These speeches have been referred to earlier and often discussed. There is a new introductory chapter, however, in which Olof Palme presents his views on the world's problems and describes his pirouettes in the international arena.

Thus, this little publication consists of two parts--and these two parts do not go together well. There is a distinct difference in attitude between the views presented in the carefully prepared speeches and those presented when the prime minister writes on his own. The former is a broad report on current Swedish foreign policy--a policy for which there is considerable support. The latter presents a picture of more ill-conceived international initiatives and party-political squabbling that could hardly even be called foreign policy for domestic consumption.

It is an officious presentation of the government's view of international issues. It is also pretentious in many respects although, in substance, it is extremely frivolous. It is troubling, of course, that the foreign policy considerations of the governing party are directed more at tactical party intrigues than, for example, at analyzing events in Afghanistan. It seems, at times, that the prime minister is confronting Sweden's problems in this way.

The introductory chapter by the prime minister clearly shows the melancholy he felt while in the opposition and the feverish enthusiasm with which his newly formed government began to implement the ideas that developed during the party's years in opposition.

One of the central ideas in Olof Palme's foreign-policy philosophy is that the strategy of nuclear deterrence that has spared Europe from war for 4 decades must be abandoned. This may be true in the long run, but Olof Palme demonstrates impatience and rejects the idea that, for the present, the strategy of nuclear deterrence is preventing war. His proposals are appealing, but many insightful observers have described them as unrealistic. The criticism could become more widespread as Palme's words are examined on a level deeper than that of his slogans.

Another of Palme's central ideas seems to be that Swedish foreign policy should be shaped within the framework of the Socialist International (and/or the so-called Palme Commission) and in consultation with its members. Sweden has been extremely active in these groups and "has advanced positions," as Palme writes. His behavior in this area has strongly contributed to the uncertainty that surrounds Swedish foreign policy.

None of the major parties question the goal of Swedish neutrality. Rather, it is Olof Palme's actions that have created confusion.

The prime minister is shifting the blame to the Conservatives. A large part of his introductory chapter is devoted to criticism of the Conservative Party. Strangely enough, he has also deemed his contribution to this spring's foreign policy debate in parliament worthy of documentation in a book on our country's foreign policy. To be sure, these speeches attracted much attention, but they were not imbued with a spirit of statesmanship.

Leading up to an election year, it may be of tactical value for Olof Palme to publish a report containing his views on international problems that is so strongly tinged with party tactics. Even from an extremely brief historical perspective, however, this will be seen as an unimpressive document.

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CSO: 3650/229

## VPK CHAIRMAN LARS WERNER ON PROSPECTS FOR PARTY

Helsinki KANSAN UUTISET in Finnish 7 May 84 p 16

[Left-Party Communist Chairman Lars Werner interviewed by Ari Setala, date and place not given]

[Text] Stockholm--A leftwing philosophy is not the chief line of Sweden's Social Democratic government, but from time to time it has been forced to make positive decisions.

"Relations between the Social Democrats and the Communists are less tense than before.

"In the final count it was a question of the party's independence in the 10-year long conflict among Sweden's Communists.

"Now the party is more stable, more open, and more mature to meet new challenges. There is peace in the party.

"We are a thorn in the side of capitalism, states Left-Party Communists' (VPK) Chairman Lars Werner in analyzing the government, the Social Democrats, his own party, and his own position in Swedish politics. The Communists are the thorn in the rose garden of the workers' movement.

We Know What the Alternative Would Be

The wheels of Sweden's commerce and industry are turning more quickly, industry is investing, the number of millionaires is increasing, and even the state economy is growing. Sweden has a minority leftwing government, which is dependent on a parliamentary majority made up of Communists and Social Democrats.

[Question] In their May Day speeches the Communists criticized the government, but in rather mild terms. How satisfied are you with the government?

[Answer] In relevant questions we have directed some rather severe criticism against the government, answers Lars Werner.

Unemployment remains approximately as before, the government has not been able to have any effect on it. It can also be said that the government has not accomplished a just income policy. The gap between rich and poor has become bigger -- 500,000 people are dependent on social welfare.

At the same time we know what the alternative to the present government would be. A bourgeois policy. A bourgeois government would mean a systematic increase in injustices. The Social Democrats, on the other hand, do not systematically strive to commit unjust acts, even their policy results in them.

#### Government's Chief Line

The government's chief line cannot be called leftwing, but, on the other hand, good results can be accomplished from time to time in individual instances. This is what happened, for example, in the value added tax and in the reduction of the price of milk, continues Lars Werner. We succeeded in accomplishing them together with the government since support was found outside of parliament. The same applied to raising the child subsidy by 1500 kronor a year. It has turned out that we can force the government in one direction or another, if there is support or if it can be created outside of parliament.

The Social Democrats are constantly debating what path they should take. On the one hand, there are forces in the Social Democratic Party which want to cooperate with the right wing or parts of it and, on the other hand, there are forces which want to work together with us. We know that those times when the government has reached an agreement with us, the results have been good from the point of view of families with children and low-income people.

[Question] For example, price and rent control?

[Answer] Indeed, they are good and are some of our oldest demands.

#### Communists and Trade Union Movement Frequently on Same Track

[Question] What are relations between the Communists and Social Democrats like, is it possible to cooperate in anything?

[Answer] Our relations are better than before. We can better discuss concrete issues in parliament, and in committees the atmosphere has been good. Naturally, there are still forceful differences in basic questions, but it is positive that we are able to conduct day-to-day discussions in a different manner than before.

Recently, the trade union leadership has quite frequently adopted the same line as the Communists.

#### Thorn in the Rose Garden

[Question] Sweden's parties make up a bouquet of flowers. The Center has a green four-leaved clover, the People's Party a bachelor's-button, and the Social Democrats a red rose. Could the VPK's position in Swedish society be clarified by arguing that the VPK is a thorn in the rose garden of the workers' movement?

[Answer] We do not have any kind of flower for a symbol, but we are, indeed, a thorn in society and in the capitalist system, and I believe that this thorn is painful and reminds others of our existence even though it may be small.

This is the role we have played and will continue to play. But it is not our objective just to be a thorn, but we want to build a policy line against big capital.

This we are prepared to do with the people, factions, and various organizations. Even with those who are not completely of the same opinion as we are on the path to socialism, but perhaps on a portion or even short section of this path. I believe that we have succeeded in this. We are working with various people even though we are not completely in agreement on all issues.

#### VPK's Difficult Discussions

[Question] How would you define the VPK's development in recent years?

[Answer] In summing up the last 10 years I could say that we are more stable now. The party is more stable and we have achieved a much greater degree of unity as the result of the discussion that was conducted in the party, which resulted in the departure of a small faction from the party (March 1977). The faction was not large, but it was very vocal and it had its own paper. It was of a different opinion than the party's majority in several basic issues.

After this discussion, which concluded in the fact that the faction left the party and formed its own party, we achieved a working peace. This does not mean that we have ceased debating. Now we discuss issues in such a way that progress is made. The previous discussion was destructive.

With the present form of discussion we have been able to resolve a large number of problems. The party is more unified than it was 10 years ago. We have been able to address issues with greater preparation, issues which are facing the Communist and Socialist parties as the economy worsens and as parliament deals with a weak or nonexistent workers' majority.

It is, indeed, nice to be unanimous on a chief policy line when new issues come up. Then one can afford to maneuver in some preliminary discussions. This was not possible before.

In summary one can say that we have obtained a more stable and open party compared with before when we had to struggle with internal issues.

#### Youth Included

[Question] In the split the VPK lost a couple thousand members?

[Answer] Yes, but 6,000 new members joined the party in the next couple years. Now this influx of new members has abated, but membership has remained the same. We have many new young people, who became politically active under

under the conditions of a social and economic crisis. In several years more than half of the new members have been women.

[Question] How inevitable was the split?

[Answer] It was inevitable since our internal debate did not concern individual points of party work, but fundamental views on democracy under conditions of socialism and also our party's independence as well as our role and position in Swedish politics.

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CSO: 3617/162

## HECKSCHER, BILDT: USSR HAS CHANGED ATTITUDE ON SWEDISH NEUTRALITY

Stockholm DAGENS NYHETER in Swedish 17 Jun 84 p 3

[Op-Ed Article by Carl Bildt, conservative member of parliament and Gunnar Heckscher, professor, former ambassador, and conservative party chairman from 1961 to 1965]

[Text] Because of the present strategic military situation, the Soviet Union wants to use parts of our territory for military exercises. It is difficult to counter this with political means. Instead, we must increase defense spending. A return to spending levels of the 1950's may be necessary. Carl Bildt and Gunnar Heckscher state this in a jointly written article, as part of the continuing security policy debate in DAGENS NYHETER.

In recent years the fundamental principles of Swedish foreign and security policy have changed. The North European and North Atlantic regions have taken on greater strategic significance. The constant and provocative submarine intrusions are one of many indications that the situation is serious.

The foreign and security policy debate has dealt with how Sweden should behave in this new situation. In addition, during the debate the Soviet Union has given us some strong hints as to how we should conduct our policies. To make matters worse, the government has handled foreign policy issues in such a way as to create surprise and uncertainty among broad circles of people.

Various opinions have surfaced in this debate. But even though a debate centers around points of difference, it is important to realize that we disagree, not over the goals of our policies, but over the means that should be used to achieve these goals. Representing differing opinions concerning means as a disagreement over goals is absolutely dishonest.

The fundamental foreign policy principle on which the democratic parties in Sweden have agreed (and still agree) is nonalignment in peace in order to preserve our neutrality in war. For many years implementation of this principle has been facilitated by the fact that both the United States and the Soviet Union accepted it as a basis for Sweden's actions, although there were some complaints from the American side in the very beginning. After considering the situation, both powers found it compatible with their political and strategic interests



to maintain a nonaligned nucleus on the northern flank of Central Europe that was capable of reducing tensions.

In the late 1970's the Soviet Union decided it was no longer in its interest for Sweden to maintain neutrality in war and, for this reason, an unchanged Swedish policy in times of peace became unacceptable.

There are many signs of this. One of them is Georgii Arbatov's call for a more "active" (read: "more pro-Soviet") Swedish policy. Another is the Soviet Foreign Ministry's demand for more "realism" (read: "sensitivity to Soviet wishes") in Sweden's foreign and security policies. Of course, the numerous, provocative submarine intrusions that continue month after month also are part of the picture.

According to all indications, the reasons for this change in position are purely military rather than political. This position is not based on any distrust of Sweden's intentions--Moscow is not that ill-informed--or any desire to add Sweden to the regions that have been occupied under protest.

In addition, from the standpoint of the Soviet military, the reasons are easy to understand. Because of the expansion of bases on the Kola Peninsula and the countermeasures this has forced NATO to take, Northern Europe and the North Atlantic have become so important that they could hardly be kept outside any future conflict between the power blocs, whatever Sweden may wish.

These developments justify no change in the goals of Sweden's policies. These goals were determined totally independently of the desires of the superpowers and are valid even if their desires change.

As long as our nonalignment gives us some small chance of remaining outside a destructive war in our part of the world, it will always be the correct policy. It is clearly in the national interest of Sweden, even when it is subjected to pressure from one or the other superpower.

In addition, the interests of the superpowers can change over a period of time. There is no indication, either, that there will be a major war in Europe in the foreseeable future.

Although the goals of our policies are not influenced by the situation, our choice of means to reach these goals is decided by the circumstances.

If we must live for an extended period of time with a Soviet position characterized by attempts, during times of peace, to turn Sweden's foreign and security policy to their advantage and to utilize parts of our territory for military exercises, then our choice of methods for maintaining our nonalignment will be different than it would be under more favorable circumstances.

Since the policy we are facing is based on military strategy, there are only limited possibilities of confronting it with political means for the purpose of gaining increased confidence in the Kremlin or at the military staffs.

The only effective response is a Swedish defense system so strong that it will be too costly and time-consuming to gain control by force of those parts of Sweden the Soviets are seeking. In times of peace, this means that we must have or obtain the military means required to ward off intrusions into our territory.

This may require increased defense spending. The share of our total resources that we invest in our defense has dropped steadily during the entire post-war period. At the same time, the possibility of military intervention in our country has increased and our strategic importance has become greater.

A return to the level of defense spending we had, for example, during the 1950's may prove necessary. Since then, parliament and the government have decided to invest more public funds in practically everything except our defense. An effort to adapt our defense spending to the security situation of the 1980's and 1990's is relatively undramatic, viewed from this perspective.

Clear independence from the power blocs and firm reactions to all injustices are of great political importance. In our opinion, the Swedish government could and should have demonstrated more firmness in its reaction to the intrusions of the past 12 months.

Formal diplomatic protests cannot be made unless a clearly identified injustice has been done, but as long as there is strong reason to assume that the injustices are continuing, our tone should remain cool. The opposite reaction could easily be interpreted as indicating that we have adjusted to the situation and could lead to speculation in both blocs that there is a chance (or a danger) that we could be convinced to make open or covert concessions if the pressure were continued or increased.

Similar problems (unity over goals, disunity over the means that should be used) arise in connection with the demands of our international solidarity. Several examples follow.

Stating that Swedish laws concerning South Africa are without effect or are perhaps even counterproductive and, thus, should be repealed, does not demonstrate any love for the despicable policy of apartheid in South Africa.

We believe that the debate on foreign aid and Sweden's foreign aid policy are often misguided. We agree that Sweden should make a significant effort to help the poor countries. But it is unreasonable to begin by determining the percentage of the GNP that should be used for foreign aid, then selecting the countries that will receive the aid and dividing the allocations among them--and only then considering what the aid is to be used for. This system has resulted in much waste and, in certain cases, our foreign aid may even have done more harm than good because it has not been based on a realistic view of the possibilities for development in the receiving countries. Assistance of this type does not create support among the public for foreign aid.

Worldwide peace efforts have been underway for at least 170 years with the Holy Alliance, the League of Nations, the United Nations, and various disarmament

negotiations. They have been without results. We will continue to support the United Nations, but this should be done without unrealistic expectations.

Despite what the doomsday prophets say, however, since 1945 there have been numerous signs that peace can be achieved. Old areas of conflict have been pacified. This is true of relations between France and Germany, between China and Japan, between Malaysia and both the Philippines and Indonesia, and perhaps even between India and Pakistan. Western European cooperation in various areas has contributed significantly to the cause of peace.

Ending or containing conflict is not the only important factor in creating peace. The military balance also must be maintained. We can see the effects of a military vacuum in Lebanon, where one of the main problems is that the Lebanese government has no military power of its own of any consequence.

Here in the Nordic countries there has been no military vacuum that, in a crisis situation, could develop into a local threat to world peace. One reason for this is that Sweden has a military defense that is constantly strong. There are many indications that this has been Sweden's greatest contribution to the cause of peace.

It is important that Swedish foreign policy, as far as possible, be supported by a unanimous public opinion and by all the democratic parties. It is primarily the responsibility of the government to see that this happens. Of course, Prime Minister Palme may discuss various issues with his friends abroad, including initiatives from the Swedish government, but if Sweden is to conduct a foreign policy with a nationwide base, then these discussions should take place after--never before--consultations with the foreign affairs committee in parliament. Herein lies the problem of the Palme Commission.

Sweden needs a free, open, and objective debate on the main problems of our foreign and security policy. In fact, there has been a call for such a debate for several decades. The previous defense committee devoted much attention to the question of how this debate could be stimulated and activated.

On several points, however, the debate must be held with caution.

Whoever, in the heat of the domestic debate, uses neutrality as a weapon in the political battle assumes a great responsibility. What we Swedes see through easily as a cheap political trick in the debate may, under certain circumstances, be taken seriously in Moscow or Washington. If leaders there are given the impression that Sweden may abandon its neutrality, then this will lead to certain hopes, fears, and actions. This will effect not only us, but also our Nordic neighbors.

On two occasions during the past year the prime minister resorted to such violent attacks against the Conservatives that he was given the official approval of Moscow. This should make him stop and think. Official foreign interference in our domestic debate is in the interest of no one. If this continues, there may be consequences that no one wants to see.

The fact that Sweden's foreign policy is determined by our own direct interests does not mean that it is without principles. Nonalignment is not the only principle we all agree on. Other such principles are support for human rights and our objective work toward arms control throughout the world. But it is now more urgent than ever before that these principles be applied without distinction.

Events in Afghanistan must not be described in discreet footnotes which hide the fact that this is an outright occupation of a nonaligned country with a greater surface area and population than Sweden.

Abuses in Cuba must be condemned just as strongly as similar abuses in Guatamala. Freedom fighters in the Soviet Union must be given just as much unequivocal support as freedom fighters in South Africa. Soviet missiles must not be represented as more desirable than American missiles.

We need balance, strength, and perseverance in our foreign and security policy. We also need to understand clearly that we are now in a different situation than we were in yesterday. The debate may be uncomfortable for some people, but it is necessary for the country.

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CSO: 3650/229

## SOCIALIST PARTY YOUTH WING INCREASINGLY BEING RADICALIZED

Stockholm 7 DAGAR in Swedish 8 Jun 84 pp 6-7

[Article by Christina Jonsson]

[Text] He is no longer a youth--the chairman of the Swedish Social Democratic Youth League (SSU). Jan Nygren, 34 years old, is red-eyed and tired and the obligatory corduroy pants and kicked-off shoes do not hide that fact: here is a politician who is getting on in years. He has sacrificed his free time and family life in favor of the struggle for power: the power to change society. Has he had this power? Does he have it now? Does SSU have it? Are the movement and the government listening to young people?

During his years as chairman, Jan Nygren has seen the SSU ranks dwindle. The membership has dropped from about 65,000 to about 45,000.

The last SSU congress in 1981 ended in chaos. A single word--"self-administration"--split and almost destroyed the Social Democratic Youth League. Purges, personal conflicts, intrigue, quarreling, and scoldings from both the party and LO (Federation of Trade Unions) leadership were the results. Now it is time for the next congress, the 24th SSU congress, which will be held on 10 to 15 June in Stockholm. Stig Malm from LO will be there. Olof Palme will be there. There will be a solidarity rally for Nicaragua and Pierre Schori will be there. Jan Nygren will be leaving. What will he be leaving? Whatever became of the self-administration battle?

"It is over. But our ideas on how to develop democracy and our popular movements live on. And our ideas have been heard," he said.

Jan Nygren has the organization's proposed new program in his hand. The document gives the impression that it was produced with great agony. Stated in a somewhat oversimplified manner, the battle over self-administration was a choice between increased decentralization and increased socialization. The program the congress will now deal with is an attempt to unite these two trends.

On the one hand, the growing political apathy of many people, including youth, would be broken by granting more influence over personal matters, housing, and childcare on the local and municipal level. On the other hand, the firm demand for the socialization of banks and the takeover of other social functions remains.

On the one hand, people would have more influence at the workplace and, on the other hand, this influence would be channeled through the labor unions.

### Ridiculed Ideas

Three years ago SSU's ideas concerning self-administration were ridiculed. Gertrud Sigurdson asked if SSU wanted anarchy. The LO leadership felt threatened in several respects. LO asked if SSU wanted to do away with central contract negotiations and its wage policy of solidarity with the lowest-paid workers. Jan Nygren may be correct when he says that these ideas have now been heard and resurrected.

Back in 1981 the youth movement realized that the party was seen as a part of the establishment. More and more members criticized the bureaucratization of the public sector. More and more felt unable to influence their own situation, whether they be victims of social injustice or unemployment.

Can SSU begin its 24th congress with its head held high?

Well, it has been difficult for the youth movement to get its ideas across in government circles. SSU's main criticism is that tougher measures must be taken to combat unemployment. The Youth Employment Act was rejected by SSU. The organization has criticized the government for not giving enough independence to the municipalities. SSU radicalism on individual issues, such as rejection of the JAS military aircraft system and absolute rejection of commercial radio and television is easy for the government to deal with. The government and the youth movement are in total agreement in their views on the rest of the world and on the peace issue.

Thus, the real problems arise over economic and social issues. SSU has received the greatest understanding among party leaders from planning minister and former SSU boss Ingvar Carlsson. Ingvar Carlsson's many speeches on freedom and his search for new models for local government are certainly inspired by SSU. The same is true of Bo Holmberg's attempts at debureaucratization. These two and certainly more, but especially these two cabinet ministers, are involved, as is SSU, in solving the conflict between the strong, centrally managed society that distributes the wealth fairly and the individual who wants more freedom.

### Bombshell In Debate

This week there was a new bombshell in the internal debate, in the form of a book by Social Democratic editors Berndt Ahlqvist and Lars Engqvist entitled *Samtal med Feldt* (Conversations with Feldt).

In this book, Finance Minister Kjell-Olof Feldt indicates indirectly that it could go for SSU (and Ingvar Carlsson and others) as it once went for Herbert Tingsten. He was proven right just as he was proven wrong. Tingsten's *Fran Ideer to Idyll* (From Ideas to Idylls) was published just as the youth revolt erupted. Perhaps what Kjell-Olof Feldt is saying is that a little freedom is not enough. He supports private daycare centers, for example, and wants

additional cuts in marginal taxes. On these issues, he is on a collision course with the youth movement, which rejects the idea of a Kiddie Care, Inc. and wants to tax the capitalists even harder.

The fact that SSU is on a collision course with the finance minister reflects, in turn, SSU's changed position within the labor movement. As Feldt has pointed out, it is important for the labor movement to have an enemy. SSU and the unions know who that is: capitalism. The strongest feelings against capitalism within the movement are precisely in the labor unions.

There will be 300 delegates at the SSU congress, 170 of whom are LO members. Thirty are members of organizations for salaried employees and the remainder are students or unemployed. Labor is strong within SSU. Debates over the wage-earner funds have been endless and criticism of their final form has been merciless.

On economic policy, SSU is much closer to LO than to the government. But even in this recently revived partnership, the problem of self-administration will certainly cause problems.

When the labor movement was still in its growing stage, unity was much easier. The Social Democratic Youth League could help build the labor movement and, at the same time, work toward the long-range goal of a strong society. Today, active SSU members who play soccer cannot even cut the grass on their field without hearing protests from labor. One SSU slogan is "cooperation." Its latest approach is to advocate a larger public sector, but this sector must be debureaucratized and have local self-administration built in.

Some observers believe that the battle over self-administration is not over at all, that the real struggle remains, and that the entire movement will be deeply involved.

#### New Youth Revolt

Like the other youth organizations, SSU believes a new youth revolt has begun in which young people are rejecting democracy for the few and they want to control their own lives in areas where a strong society is not enough. They want to have a job, to do things together, and to feel that they have influence. Like the other youth organizations, SSU has tried to regain its social function. Theater, sports, activities that once were seen as unnecessary and foolish are now high on their list of priorities. There are rock concerts against oppression and for peace. Local radio is a mixture of blaring rock music and political messages. Study circles that once discussed wage-earner funds are now taking up the struggle against commercialism.

It is more difficult for SSU, however, than for the nonsocialist youth organizations, which also advocate local democracy, decentralization, and cooperatives to create jobs.



Political youth organizations are supposed to be the radical melting pots of their parties. Within SSU, Bosse Ringholm and later Lars Engqvist had an easier time than Jan Nygren has had. They were able to work toward radical solutions to individual issues and play the role SSU had always had, as a branch within the movement--and a loyal branch, at that. Today, as SSU attempts to create comprehensive policies, there is a danger that the Social Democratic youth movement could become truly radical. Kjell-Olof Feldt, with his views, stands for one extreme, while LO and the SSU youth, in many respects, stand for another. In the middle, Ingvar Carlsson and SSU are fighting for a future with more freedom and yet more central socialistic control.

Jan Nygren is leaving SSU to become a special adviser to Defense Minister Anders Thunborg. He will deal with security policy and be neutral--for a while.

### The Tide Is Turning

For many years young people have turned their backs on politics and the political youth organizations.

Are they now returning to them? Is a new youth revolt underway?

There is, according to the Center Party Youth Federation's (CUF) new chairman Andreas Carlgren, 25 years old. Outgoing chairman Yngve Sunesson, 32, can now report an increase in membership for the first time in many years. CUF, like SSU, has been one of the big losers among young people. Both these organizations have lost 20,000 members since the mid-seventies. The Center Party youth organization has had some success in its campaign in the schools. The picture is still bleak for SSU.

Why is CUF so optimistic? Andreas Carlgren believes that a new revolt is underway, a revolt based on the idea that young people must do something to improve their own situation. They must get a job themselves, form cooperatives, take responsibility for housing and childcare. These ideas are also supported by SSU, but from a totally different ideological standpoint and with different goals.

Now CUF is to become the ideological melting pot it was during the seventies when CUF's debate over local social policies spread like wildfire across the culture pages of newspapers and across TV screens. It is believed that the years of nonsocialist governments and, especially, the referendum on nuclear power put CUF on the defensive. The nuclear power issue nearly destroyed CUF. Now the organization is involved in other issues again.

The Conservative Youth League (MUF) has also gained new members, especially because of its active campaign in the schools. MUF now has about 40,000 members, making it just as large as CUF. Unlike the other youth organizations, which give their party a "kick in the behind" in a radical direction, MUF is more reactionary than the Conservative Party. The organization makes frequent use of slogans.



The Liberal Youth Association (FPU) has managed to stop the bleeding caused by its party's decline. FPU now has about 10,600 members, which is 1,000 fewer than last year. Chairman Maria Leissner also has noted a favorable response in the schools. She says there is a new attitude that people should try to help themselves, although there is no less interest in global issues such as peace, environmental protection, and hunger.

The political youth organizations have a total of 160 to 170 thousand members today. Communist Youth (KU), the youth organization of VPK (Left Party Communists) now has about 20,000 members. KDU (Christian Democratic Youth League), the youth organization of KDS (Christian People's Party) has about 4,500 members. The government's Youth Council gives each organization a grant of 295,000 kronor annually and 26 kronor per member between 14 and 25 years of age (21 kronor per member if the membership exceeds 40,000).

Whether or not the tide has turned, in recent years all the youth organizations have concentrated more actively on their social role. They are supporting more music, theater, film, and dance.

Previously, an interest in dancing was sufficient for membership in the Center Party's youth organization. This is not true today, but CUF puts on rock concerts to benefit the oppressed of Afghanistan. Thus, a current trend in the youth organizations is a new emphasis on young people and their problems. Three chairmen who are over 30 years old are making room for younger leaders this year: Jan Nygren of SSU (succeeded by Anna Lindh), Yngve Sunesson of CUF (succeeded by Andreas Carlgren), and Gunnar Hokmark of MUF (probably will be succeeded by Beatrice Ask).

#### "Clear-Thinking, Conscious Fighters"

"To be the avant-garde of the party, to win over and foster youth into clear-thinking, conscious fighters in the labor-movement struggle" was the motto when SSU was founded in 1917. The following are some of the chairmen of recent decades:

Frans Nilsson, 1946-1952, went to the newspaper world and became a powerful editor in chief of ARBETET in Malmo.

Bertil Lofberg, 1952-1958, is now county governor of Vasternorrland after a career in the cabinet and in parliament.

Kurt Ward, 1958-1961, was once recommended as party secretary, but became a county council commissioner in Helsingborg and later became chairman of the Federation of County Councils.

Ingvar Carlsson, 1961-1967, record-young member of parliament at that time, served in several cabinet posts. He is now planning minister.

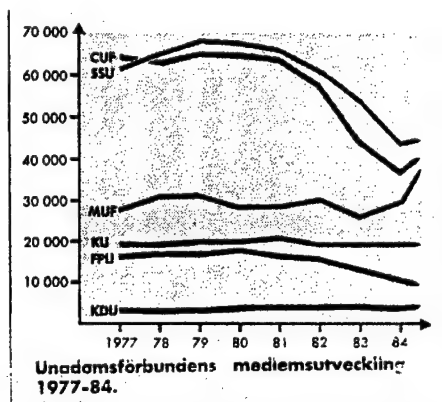
Bosse Ringholm, 1967-1972, worked for the government as an expert on youth unemployment. Now he is traffic commissioner of the Stockholm County Council.

Lars Engqvist, 1972-1978, like Frans Nilsson, entered the newspaper world and is now editor in chief of ARBETET.

Jan Nygren, 1978-1984, will now become a special adviser at the Defense Ministry.

Anna Lindh, 1984, is a member of parliament.

In brief, it may be stated that in recent years Ingvar Carlsson, Bosse Ringholm, and Lars Engqvist have best lived up to the 1917 motto with regard to radical struggle and recruitment of new members.



Membership in youth organizations, 1977-1984.

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## BRIEFS

MAOIST CP CONGRESS ATTACKS MOSCOW--The Swedish Communist Party (SKP) is breaking with Marxism-Leninism. At the party congress at Marsta last weekend, the party acted on a document that stated, among other things, that several key SKP policies were in direct opposition to Marxism-Leninism. On the question of democracy, the party says it has "come to terms with the fact that communists have underestimated the freedom and rights of formal democracy since the founding of Comintern." In its position on national independence, the party has "come to terms with the unprincipled position that has characterized the international communist movement." The party also has come to terms with the "simplistic view of socialist strategy inherent in the idea that the October Revolution possesses a universal character." [Text] [Stockholm DAGENS NYHETER in Swedish 17 Jun 84 p 9] 9336

CSO: 3650/229

## NEW NATO NORTHERN COMMAND STAFF CHIEF ADMIRAL THAETER

Oslo AFTENPOSTEN in Norwegian 30 Jun 84 p 3

[Report and interview by Liv Hegna]

[Text] The NATO headquarters at Kolsås outside Oslo will be getting a face-lift, both with regard to interior and organization. Next Monday, for the first time in history, a West German will assume the high post of chief of staff of this integrated military command center. Incidentally, the quota of Germans working daily at Kolsås will be increased by nearly 100 percent in the near future. At the same time, the war headquarters are being modernized. Nobody knows what it will cost the alliance until a few years from now.

Sometime in 1986, the first construction stage of the modernization of the headquarters of the NATO Northern Command will stand ready. By then, all of the military airfields in Norway, Denmark and the part of Northern Germany which belongs under the North Command will have become connected through a safe and secure communications system. The headquarters at Kolsås will from then on be in direct contact with all of these airfields. According to the new chief of staff, Admiral Klaus-Jurgen Thaeter, there have already been some delays on account of a shortage of funds in connection with the modernization, and he says that, for the same reason, additional postponements in connection with the further technical work will, probably, have to be expected.

## Reorganization

It will thus still be some time before the facelift to the NATO headquarters will have been completed. All NATO headquarters at this level, however, will have to be given a new organization structure. The North Command at Kolsås is the first NATO headquarters to carry through the new organization structure.

"It was clear already at the outset that the German participation at Kolsås would have to be increased considerably. Since all nations involved in the North Command were agreed that the top chief must continue to be a British general, it was natural for the three countries Norway, Denmark and West Germany to share the responsibility at the second-highest level. The deputy chief will alternately be a Danish and a Norwegian officer, while the chief of staff from now on will be a West German. Norway clearly was among the nations which most clearly advocated this in the discussions," Admiral Thaeter says.

The work which has now been completed and approved by both NATO and the political authorities in the various countries has been long and difficult. Every single position has been evaluated: Which nations should have which positions? Nations which constitute the actual area of the North Command as well as the states which have earmarked forces for deployment in this area have participated in the discussions on an equal footing: Americans, Canadians, the British, Germans, Danes, and Norwegians.

"In an alliance context, we have a fabulous cooperation here in the North Command. It really cannot become better. In the talks on the reorganization, we have, however, been wearing our national 'hats' and have been fighting for each position, though in an extremely friendly manner," Thaeter says, adding that the Norwegians naturally have had a great influence in this context since the headquarters are located in Norway.

Klaus-Jurgen Thaeter was one of the first German military persons who on the strength of his position of officer in the NATO defense came to Norway after World War II (this was in 1956, only a few months after Germany had joined the alliance), and he met with demonstrations.

Thaeter admits: "It was most certainly understandable that the Norwegians would react to Germans in uniforms in this country such a short time after the end of World War II."

[Question] "Did the Norwegian authorities do enough to explain the significance of military training activities in Norway on the part of allied nations, including West Germany?"

[Answer] In my opinion, yes. Which actually was not easy, Thaeter says, pointing out that the first Germans who arrived at the headquarters at Kolsås already in 1959 encountered demonstrations in front of the Norwegian parliament. At the time, the number of Germans at the North Command at Kolsås was limited to 12 persons. Today, there are 30 Germans, and this quota will be doubled after the completion of the reorganization, which will be started now.

#### The West German North Fleet

Klaus-Jurgen Thaeter states that the West German Navy is in the process of completing a replacement program, which will include, among other things, six new frigates and a squadron Tornado fighter-bomber for the Navy, in addition to the one which will be arranged by the Air Defense Command. The West German Marine Defense Command has every reason to be pleased with its equipment, according to Thaeter, who, however, makes one comment: "It would be an advantage if such a replacement program could be carried through little by little so that not all equipment is worn out at the same time and will have to be replaced at the same time."

[Question] The last one of the new frigates became operative last October. Has the strengthening of the larger vessel types had any bearing on the West German training pattern in the North Sea and the Norwegian Sea?

[Answer] It is clear that when the West German security council and the West European Council removed the restrictions for West Germany in respect of movements north of the 61° parallel, this had an effect on West German tactical arrangements. It is my opinion that all countries bordering on the North Sea ought to endeavor to prevent enemy activities from blocking the waters between Greenland, Iceland and Great Britain, i.e. the entry to the North Sea. That means that German units as well which may fit into such operations, that be destroyers, frigates or aircraft which may carry on submarine searches and submarine warfare, may be used in this area. That will, moreover, mean that German forces will have to move further north than previously. Readily in co-operation with British units if that is natural, Admiral Thaeter says.

[Question] Have the areas of responsibility among British, American and West German naval forces changed lately?

[Answer] The North Sea is an area of shared responsibility within the NATO structure. The western part belongs under the East Atlantic Command, while the eastern part, the waters bordering on Norway falls under the North Command. All West German units have been made available to the supreme command of Europe, SACEUR. As a consequence of this, the West German north fleet belongs to the North Command.

[Question] It does not sound entirely logical for large maritime forces to belong under a national command?

[Answer] It probably is not wrong to say that it is illogical, and the issue has been discussed quite thoroughly of recent years. At the time when the structure of NATO was determined, it was quite apparent that it could be better. At the time, West Germany was not a member of the alliance. We did not join until 1955, Admiral Thaeter points out, adding that an agreement has now been concluded as a result of which the established organization will be able to function in a sufficiently flexible manner. The said agreement was entered into at the end of 1983.

[Question] Will Norway have to rely more on West German instruments of war than on American and British instruments of war when it comes to the defense of the waters off our coast from now on?

[Answer] The answer to that question would, of course, contain some classified information. But let me put it this way: the reality when it comes to the defense of these waters has not changed within NATO. One problem which we, however, foresee is that, for example, American forces might be tied up somewhere else, perhaps outside NATO's sphere of competence. That would, of course, weaken their presence in the North areas, and that is a problem for which we have been preparing ourselves. It is basically not a question of burden sharing--of sharing the economic burdens--but rather of deploying available forces in a sensible manner and of filling a possible empty space in our close waters.

[Question] Will German forces be able to contribute to escorting Norwegian troops that are moved from South Norway to North Norway?

[Answer] It is clear that it will be in NATO's interest that this takes place as safely as possible. Norway makes the tonnage available for these troops. But when it comes to submarine warfare and air defense, West Germany has neither agreed to nor rejected this task. The position of West Germany is that if the NATO North Command wants such support, West Germany will be in a position to provide the necessary vessels. These efforts will, of course, be coordinated with the leadership of the East Atlantic Command, says Admiral Klaus-Jurgen Thaeter, stressing that no NATO forces have been earmarked for these tasks.

#### The Baltic

The new chief of staff at Kolsås joined the German Navy in 1942. In May of 1945, he was onboard a submarine which was sunk in the Great Belt on its way to Narvik. After World War II, Thaeter served on a mine sweeper under British command, 1 year off Kristiansand, subsequently in German waters. In January of 1956, he became an officer onboard a German naval vessel anew, among other things, as chief of squadron for a group of fast, fairly small gunboats.

Admiral Thaeter points out: "The tasks of the West German north fleet, of course, are the defense of the Baltic and its mouth and the defense of the North Sea and the Norwegian Sea. From the point of view of strategy, these two areas constitute one unit, but the types of vessel that will be employed are entirely different. Generally speaking, it may be said that smaller vessels will be deployed in the Baltic, whereas larger vessels will operate in the North Sea."

7262

CSO: 3639/131

## FINABEL: LITTLE KNOWN 'EUROPEAN' GROUND FORCE PLANNING BODY

Munich EUROPÄISCHE WEHRKUNDE in German Jun 84 pp 335-338

[Article by Col Hartmut Schmidt-Petri and Lt Col Ulrich Baus: "FINABEL--Quiet Cooperation"]

[Text] The chiefs of the ground forces of the FINABEL countries France, Italy, the Netherlands, Germany (Allemagne), England, Belgium and Luxembourg came together for their annual meeting 23 March 1984 in Paris. These meetings, held in rotation in all of the capitals, serve to discuss common questions from a European point of view. In addition, the chiefs of staff issue directives to the working groups of the FINABEL organization to carry out studies and to develop concepts.

Among the truisms of security policy is the recognition that what matters is achieving cooperation between the NATO partners, especially between the European partners, who can make a contribution to consolidating, even strengthening the European pillar of the alliance. One of the organizations in which the allies are striving for a future-oriented and cost-effective cooperation that promotes integration is the FINABEL Committee, almost unknown by the public.

The committee, which now calls itself FINABEL, was established in October 1953 through a direct understanding of the respective army chiefs of staff with the approval of the ministers of defense. Five West European countries--France, Italy, the Netherlands, Belgium and Luxembourg--united to form the then FINBEL organization, to investigate jointly the possibilities for a coordinated outfitting with vehicles, weapons and equipment. Following the failure of the European Defense Community, this FINBEL organization was just the thing to maintain the necessary military contact at the level of the army chiefs of staff of the European NATO member countries.

Although not yet a NATO member, the FRG was informed of the creation of FINBEL and invited to join the organization. In March 1956, the army chief of staff, Lieutenant General Roettiger at the time, was authorized by the federal defense minister to take part in the work. From this moment on, the



organization was designated FINABEL ("A" from Allemagne). On 23 March 1973, Great Britain officially joined the committee as the most recent member country, but the name remained unchanged.

The FINABEL organization is a "de facto association" with an international character, the members of which are named by the respective defense ministers as their representatives. It is not a legal entity of international law and as such it cannot negotiate with governments. Proposals and recommendations can be passed on to the respective governments only by the army chiefs of staff, the agents of the member countries. The establishment of FINABEL was made known to NATO, where it enjoys de facto recognition as a regional organization.<sup>1</sup>

One of the essential goals within the armies of the NATO alliance is that of reciprocal operational capability. This can most simply be attained through joint coordination of doctrines and tactical as well as logical concepts. In this connection, the conceptional plans are to be harmonized at a very early stage. For this reason, FINABEL is future-oriented in:

- carrying out tactical and logistical studies,
- putting together studies on the use of individual units,
- investigating training procedures and
- exchanging information.

Even when no defense cooperation results from this work, the diverse military hardware that is developed from the coordinated tactical and logistical requirements still provides favorable preconditions for establishing the desired reciprocal capability.

The seven army chiefs of staff belong to the Committee of the Ground Forces Chiefs. Basically, it meets once a year, alternately in the individual member countries. In these meetings of the chiefs of staff, they practically establish the "policy guidelines." They review the results achieved on the basis of progress reports, they are the source of decisions--they give final approval, for example, to FINABEL projects or they return them to the working groups for reworking (harmonizing)--and they dissolve subordinate organizations or constitute new ones.

But above all the chiefs of staff give new impetus to the work in the organization in the following areas, for example:

- studies that have bogged down,
- work projects of very special significance, such as "Tactics Study 90,"
- efforts of the organization itself to bring about streamlining, as in the consolidation of working groups, the reduction of administrative costs, the specification of work procedures, etc,
- the development and establishment of procedures for cooperating with other comparable international bodies, with the emphasis on questions of the division of responsibilities and demarcation.

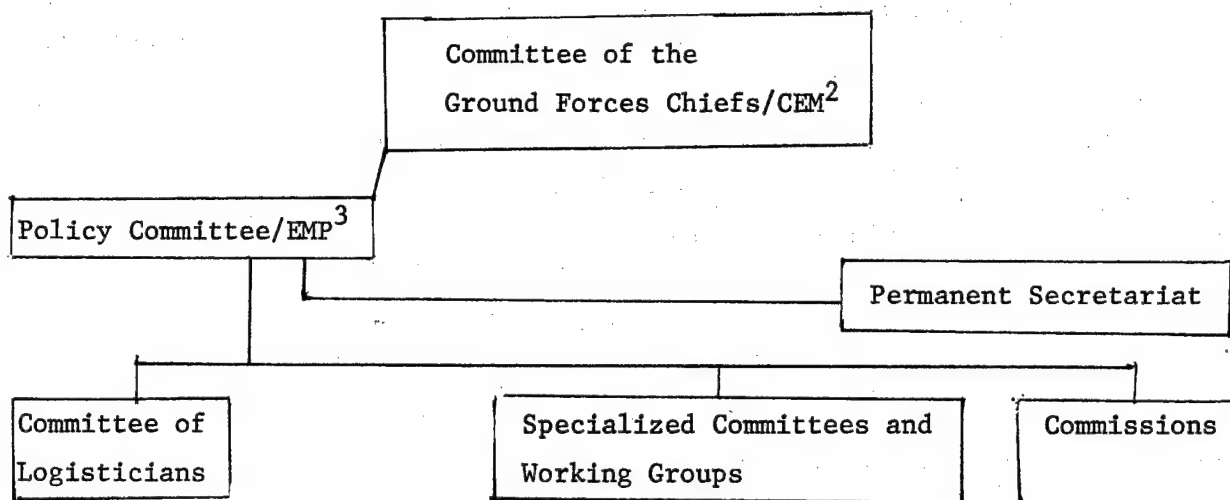
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1. See also charter FINABEL FIN/SEC 23.535 EMP

Beyond that, however, the chiefs of staff use these meetings for exchanging information with alliance partners and for personal talks on all topical subjects that could influence the interests of ground forces now or in the future, subjects such as:

- reciprocal operational capability for battle tanks,
- introduction of information processing in the ground forces supported by data processing,
- future concepts.

#### ORGANIZATION



The Policy Committee is directly under the Committee of the Ground Forces Chiefs and is comprised of the representatives of the national army command staffs with responsibility for the planning and development of army material. The Policy Committee functions as the executive body of the army chiefs of staff. In this capacity, it

- prepares and evaluates the decisions of the ground forces chiefs,
- directs and coordinates the activity of the committees and working groups based on precise assignments and work reports,
- analyzes and approves the work programs of these committees as well as the prepared preliminary drafts of understandings, reports and agreements before presenting them to the army chiefs of staff for final approval.

But to avoid duplication of effort in its own or a comparable organization, the Policy Committee also indicates possibilities for the joint use of work results.

The Permanent Secretariat is located with the Belgian Armed Forces in Brussels and, in addition to administration, it has the task of providing liaison with

2. CEM = Chefs d'Etat Major de l'Armee de Terre

3. EMP = Experts Militaire Principeaux

NATO, EUROGROUP, the Permanent Arms Committee of the WEU [West European Union] and above all with the national army command staffs.

The Committee of Logisticians is directly under the Policy Committee and to it belong the officers of the member countries with responsibility for army logistics. Logistical questions of interest to the command staffs of the armies are handled by this committee and corresponding proposals are submitted.

The working groups are the real nucleus of FINABEL. They are likewise directly under the Policy Committee and are established or dissolved according to need. It is there that future-oriented conceptual ideas (the years after 1990), including tactical concepts, are harmonized at an early stage so as to create the widest possible basis for reciprocal operational capability.

The functional area of a working group extends either to a defense-material family (e.g. engineer munitions, armament of the combat forces, etc) or to a precisely limited and clearly defined military assignment (e.g., data processing and transmission).

At the present time, the following 12 working groups are active:

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A Combat forces	L Battlefield surveillance
D Air defense	N Nuclear defense
F Artillery	O Biological/Chemical defense
G Engineer munitions	R Command systems
I Communications equipment	S Electronic warfare
K Air mobility	T Tactics

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Working group A, for example, is thereby concerned with problems such as:

- infantry combat procedures at night and under poor visibility in the time after 1990
- concepts for antitank defense, mortar and reconnaissance vehicles.

Working group F, for example, is currently investigating

- the optimum organization of the 155mm self-propelled howitzer battery
- comparison of the various types of artillery ammunition for antitank defense.

And working group R is concerned, among other things, with the following studies:

- reciprocal capability of national command systems supported by data processing
- decision aids for conducting operations at the corps and division level.

The crucial principle is the complete freedom of the FINABEL members. That is, their work is determined, prepared and carried out by them alone acting jointly, and every member can propose or decline work. In this connection, projects for which agreement has been reached are drawn up by the corresponding delegates in the national area and coordinated within the national army command staffs. Then, at the semiannual meetings of the working groups, the results are discussed, harmonized and, when all are in agreement, are then presented to the chiefs of staff for approval.

The fact that the resolutions must be passed unanimously may have the disadvantage that agreement is at the lowest common denominator, but it does have the great advantage that the economic and military possibilities and limits of all member countries are considered equally and are not suppressed by a minority resolution. Thus the contributions of the smaller partners, who must take full responsibility for fulfilling their obligation for the defense of central Europe, are handled equally. Understandings achieved in this way and concluded agreements are then planning targets, which the army chiefs of staff strive to put into effect within the framework of their responsibilities and opportunities.

Depending upon the topics to be handled, and after being approved by the command staffs, the FINABEL work is reflected in:

- understandings (accords) that establish military requirements for one or more items of equipment and that in a few cases are supplemented by technical details, e.g., the military characteristics of mines with horizontal action;
- agreements (conventions) that describe all areas involving nonmilitary requirements, e.g., experimental methods, procedures and glossaries, and that promote the exchange of information between countries, such as procedures to measure the imperviousness of materials to chemical agents;
- reports (rapports) that are used for general test or investigative findings, e.g., report on topography, tactical concepts, etc.; to name a few: vulnerability of battlefield surveillance systems and investigation of the demands on an information management system of the army air defense at the corps level.

The work of the FINABEL organization deals only with the ground forces. In contrast, the work of the other alliance organizations can involve both the armed forces as a whole or a single military service. Thus it cannot be avoided that work is done on similar subjects and the work results may not be completely congruent simply because of the different membership compositions.

To avoid redundancy and to achieve the reciprocal use of documents the reciprocal use of documents that have already been prepared, it is important, for conceptual, cost and labor reasons alone, to be in close contact with the following organizations:

- NATO (including the most varied working groups and committees),
- WEU (Permanent Armaments Committee),
- EUROGROUP (subgroup ARMY-EUROLONGTERM),
- IEPF (Independent European Program Group).

The FINABEL secretariat therefore makes sure that there is an exchange of information on the work as well as of the documents of these organizations and that the working groups within FINABEL are kept informed. In addition, every group is kept current by a comparable table on the work performed by it and the corresponding commissions of the other interallied organizations.

In detail, the exchange of information occurs as follows:

1. Liaison With NATO

The FINABEL documents are delivered to NATO (department for armament and infrastructure of the International Secretariat, subdivision army) and to the Military Standardization Office [MAS].

The documents of the NATO committees--Conference of the National Armament Directors (CNAD), the NATO Army Armament Group (NAAG) and their working groups--are channeled to FINABEL. The director of the FINABEL secretariat and also the representatives of the national command staffs of the army (EMP) with responsibility for the planning and development of army material take part in the NAAG meetings.

2. Liaison With the WEU Armament Committee

The SAC (Standing Armament Committee) has the task of improving cooperation in the armament sector to find common solutions that would make it easier for the governments of the member countries of the West European Union to meet their equipment needs. Also involved is the promotion of studies dealing with standardization and with the production and procurement of armament.

At the present time, cooperation extends to reciprocal participation in the annual closing session of SAC and the annual FINABEL coordinating sessions, and to the exchange of documents.

3. Liaison With EUROGROUP<sup>4</sup>

FINABEL's established tasks of working out concepts and tactical requirements could involve the danger of a collision, especially with EUROTERNLONG, subgroup land.

Therefore, the arrangement for liaison now in effect foresees an exchange of the prepared concepts/partial concepts, with the goal of reciprocal recognition and thus avoidance of redundancy. In addition, the work projects are coordinated with one another.

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4. EUROGROUP: Framework for the cooperation of the European NATO partners excluding France. In one of its subgroups, EUROLONGTERM, it is involved in preparing concepts and tactical requirements.

#### 4. Liaison With the IEPG<sup>5</sup>

The approved FINABEL documents are automatically forwarded by the army chiefs of staff through the national armament directors to the IEPG. At this organization, however, the documents are currently valued only as information. There is no feedback from the area of the IEPG concerning the further utilization of the FINABEL papers. Work is currently being done, however, to solve this problem as well.

To date, FINABEL has very clearly made a significant contribution to achieving the goal of reciprocal operational capability of the ground forces through

- coordination of future-oriented concepts, operational principles and tactical requirements,
- guaranteeing the technical prerequisites for cooperation in the use of comparable military hardware of the FINABEL countries,
- testing, at a considerable expenditure of manpower and money, that permitted the member countries to gain experience and utility under the most economical conditions.

In statistical terms, the situation on 1 January 1984 is as follows: 137 understandings and agreements are in effect as the basis for standardizing military hardware. They are based upon 43 tactical and logistical studies.

FINABEL is the only interallied organization at the level of the ground forces chiefs. It is a well-established organization, experienced in the best sense of the word, with the advantages of being able to compromise at the subpolitical level. But one can also see FINABEL as a conceptual school, as a binding element that facilitates mutual understanding for member countries. The common tactics concept may serve as an example. From the German point of view, FINABEL is now probably one of the most fruitful international organizations.

Knowing that the better is the enemy of the good, some thought must go into making even more intensive use of the potential of FINABEL. It is therefore necessary to promote deliberately dialog and coordination among the institutions FINABEL, EUROGROUP, WEU and NATO, under full recognition and use of the specific advantages of each grouping, making better use of intellectual and material resources. For this purpose, we must overcome the rather passive phase of "avoiding redundancy" and move in the direction of an active, early-coordinated and results-oriented handling of the complex tasks from various interests and with various focal points. In this regard, a concept has yet to be developed.

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#### 5. Independent European Programme Group: An armament-oriented association of the European NATO countries including France.

## EFFORTS TO MODERNIZE ARMY STRUCTURE, WEAPONS

Bonn TRUPPENPRAXIS in German Jun 84 pp 423-427

[Article by Patent Attorney Engineer Walter A. Hamburger: "What's New in Austria?"]

[Text] In this article, devoted to armies not belonging to one of the two great alliance systems, the author, well known to TRUPPENPRAXIS, reports on the Austrian Army's efforts toward modernization. Factual data in this article are mainly derived from interviews with the new Austrian minister of defense, Dr Friedhelm Frischenschlager and with Major General Othmar Tauschitz, chief of General Staff Group A of the Austrian Federal Ministry of Defense.

## Introduction

In one of his last speeches, the predecessor of the present federal minister for defense stated that what was needed was "courage in adversity." Which, in plain language, means that once again, as it has happened so many times before in the history of this country, there is either not enough money available for national defense purposes. Thus efforts are made to improvise with what little is available; e.g., constructing masses of tank barriers out of steel I-beams, which is at the same time a means of providing work for the suffering Austrian steel industry. Those factories would of course prefer having contracts for armored vehicles, since this would involve a lot more work and provide employment for greater numbers of people. In addition, the ancillary industries would benefit from this also. But unfortunately, as indicated above, there isn't enough money available in Austria for this and the promising export activity to many countries has been largely terminated for political reasons. It is notable in this connection that toward the end of 1982 the Austrian army suddenly received 36 unexpected Kuerassier tanks, and another 58 in 1983, which had been gathering dust at the Steyr works as a result of the cancelled deal with Argentina.

Unfortunately, such actions do not compensate for weapons exports which are necessary to lower unemployment and manufacturing costs of Austrian weapons and which have now been radically reduced for political reasons.



However, in an interview with Dr. Frischenschlager it was learned that despite the general drastic cuts and economy measures in Austria he had succeeded not only in retaining the defense budget at last year's level but that he had even be assured of obtaining certain supplements, e.g., for inflation. Thus the planned improvements in the Austrian national defense are not likely to suffer additional delays.

From other statement of the new defense minister it would appear that he has great plans. A revision in the training of militia officers is being thought about. Further, he thinks that once and for all, all units and commands will have to be made to declare openly whether they are for or against national defense. In addition, the defense consciousness which is relatively firmly ingrained in the rural population, especially in the Alpine regions, must be made to take hold in the eastern regions, especially in Vienna, as well.

Another concern of the minister is that the recruits, while serving their obligatory tour of duty, should acquire a more positive attitude toward national defense. Also, the civil service should be reoriented, since increasing numbers of young Austrians are choosing this alternative which is much more attractive than service in the armed forces.

#### Housing and Deployment

Even though the 1984 defense budget, despite its relatively large size, is not even remotely equal to that of other neutral states, the development of the Austrian Federal Army, despite its precarious financial situation, continues relatively unabated. Thus, new regimental garrisons have been and still are being created in place like Bruckneudorf, Amstetten, St. Michael, Kranebitten, Kirchdorf/Krems, Tamsweg and Villach; with others soon to come in Bludesch and Voelkermarkt. Since the start of the reorganization, Basic Militia Regiments (LWSR's) 14, 35 and 55 have been moved into the first three locations above. LWSR 63 will go to Kranebitten, where construction has started recently, since the old Fenner barracks in Innsbruck is to be demolished; LWSR's 73 and 91, which at present are still widely dispersed, will go to Villach and Bludesch.

After completion of the new garrisons in Kirchdorf/Krems and Tamsweg, they will be occupied by portions of the new LWSRs 44 and 83, which are still being established. The command of LWSR 83 will establish the Saalfelden Infantry school. The garrison in Voelkermarkt (Carinthia) will serve to ease the quarters shortage which has occurred as a result of the ongoing reorganization. Because of a good rate of cadre enlistments in this province, there will be established a blocking force training school in Carinthia, which will relieve the infantry training school. As cadre personnel become available, LWSRs 31, 36, 45 and 51 will be established; they are still lacking in the present augmentation phase. The deployments resulting from the transfers and/or newly established units are based on the area defense concept.



Apart from Tamsweg, where for environmental reasons a landscape-compatible barracks is being built, standardized company buildings are being constructed elsewhere according to the most cost effective plans, which will provide much greater comfort to the soldiers than would have been thought possible previously. They contain for example fully automatic boot washing machines or, in the mess halls, automatic dispensers for preheated plates. Such company buildings, with a cruciform layout, are also being built in older garrisons so as to enlarge their capacity and/or to replace old barracks which are no longer adequate for modern requirements.

#### Allowance and Equipment

Even though there are in Austria several hundred permanent emplacements, construction of additional bunkers is proceeding speedily. Recently attempts were made to prefabricate such emplacements. This would have presented the advantage of permitting centralized storage of component parts, with actual construction taking place in case of a threat at the appropriate border sector. This would have provided greater cost effectiveness of the available materiel, since no bunkers would be constructed in unthreatened parts of the country. However, there were some unforeseen difficulties with this, for which there may yet be a solution.

We might mention in this connection that the Austrian Army still has a considerable number of 10.5 cm Centurion tank turrets which are available for installation in future bunkers.

As to equipment, things are unfortunately not moving very swiftly in the Austrian Armed Forces. No funds will be provided in the near future for procurement of the long obsolescent interceptor aircraft. Because of this, the most urgent problem facing the Austrian national defense is the protection against attacks from the air, be it by fighter bombers, fighters or strategic bombers, and by airborne forces landing via parachute or helicopter.

At the present time, the Austrian Air Force has in its three air regiments and one air reconnaissance regiment, which together form its air division, only one reconnaissance and one fighter-bomber wing, both equipped with Saab 105 Oe jet aircraft. These aircraft will soon see the end of their useful service life; apart from this, their slow speed does not enable them to fulfill those tasks required of them in the reconnaissance wing.

Even though Austria has received some attractive offers from both the United States and France for modern aircraft and though in addition the relatively modest cost prices were to be paid through exports of Austrian products, which would have contributed importantly to employment security, the Austrian government has been unable to date to decide on such procurement. Because of this the Austrian armed forces will continue to remain a "house without a roof;" not only the nonarmored, but even the armored troop units, especially the very expensive permanent emplacements would in case of enemy aggression be easy prey for enemy airpower. Unless modern jet fighters are procured soon, all the money spent to date on national defense would be a senseless waste.

Modern trends indicate that today's air force mission is so variegated that its expansion would appear mandatory. Especially in Austria, with its hilly to mountainous and mostly wooded terrain, which is just about ideal for ground-following flight and thus makes possible an aircraft's sudden appearance and just as sudden disappearance, a great number of antitank and combat helicopters would be urgently required for a great variety of missions.

One of the great stumbling blocks is the prohibition of missiles--it is still in effect and the military will have to live with it. Ways must therefore be found for an effective national defense without missiles. Thus Austria is interested in a foreign project which deals with end-phase guided antitank grenades which could be fired from 15.5 cm howitzers or heavy grenade launchers. The shaped charge-type grenades would use the reflection of a laser beam aimed at the target as navigation information and would pierce the armor from above. This new development is designed to extend the range of armored tube artillery and thus make possible antitank attacks at distances from 1.5 to about 10 km. In other words, it would provide antitank protection for those areas which in other armies are the domain of antitank guided missiles. However, we must await the outcome of this project.

However, there is not as yet any answer to the question of how protection is to be provided for the civil population, the cities and factories, but also to the troops in the field, the headquarters and supply services against bombardment by high and fast flying bomber wings if no anti-aircraft missiles nor interceptors are available.

As far as the Austrian family of light tanks is concerned, which was developed by the Steyr-Daimler-Puch AG, a fairly large quantity is available of the initially developed infantry tanks and the subsequently built Kuerassier tank destroyer. There is probably an adequate number of the Greif tank recovery vehicles with their reinforced chassis; however, a later model engineer tank is currently in procurement. Unfortunately the Austrian Armed Forces have not procured the newly built armored infantry vehicles atop the reinforced Greif chassis.

To provide greater penetration power to the 10.5 cm low pressure cannon of the Kuerassier tank destroyer and to increase its effectiveness against heavily armored vehicles, a tungsten core arrow projectile is being developed in Austria which should be adequate for the most stringent requirements. However, there is anticipation for the early appearance of the improved Kuerassier II tank destroyer which is to have a larger turret, made in Austria, which could be equipped with the standard L 60 10.5 cm cannon. As to firepower, the Kuerassier would then be the equivalent of the Austrian Army's M 60 combat tank; however, it has not yet been determined whether the chassis is strong enough to support the armament. Since the turrets of the retired M 47 tank have been incorporated into fixed emplacements, tungsten core arrow projectiles were developed for their 9 cm guns as well to provide greater penetration power.

To close one of the greatest gaps in Austrian national defense, troop air defense, two prototypes from the Austrian light anti-aircraft tank family were recently unveiled. Both are to be equipped with 3 cm automatic cannon, one having one, the other two turrets. The defense ministry is also testing a 4 cm gun, since this is the smallest caliber capable of being fired with a proximity fuze. These projectiles have the advantage of being very effective and economical since as a rule very brief bursts of fire are sufficient to shoot down an aircraft.

Most recently another 50 2-cm antiaircraft guns were procured for the militia. These automatic cannon are best suited for destroying enemy helicopters but can also be used in ground combat.

Even though the Austrian automobile manufacturer Graef & Stift has for some time been testing a wheeled armored vehicle and the Austrian army does not have any armored reconnaissance vehicles, there is no longer any current interest in a wheeled armored vehicle. There is however a chance for procurement of a few special vehicles, e.g., a wheeled ambulance armored vehicle.

Finally tests are now possible with new Austrian 12 cm grenade launchers, since the production of 81 mm grenade launchers by Vereinigte Edelstahlwerke AG (VEW), impatiently expected by the federal army for many years, was finally tested and procurement has started.

In the artillery area, which had been somewhat neglected in Austria until the present, the 4th Brigade Artillery Battalion, which had been used in establishing the new LWSR 41, has been newly reorganized and equipped with modern armored M 109 howitzers.

Consideration is being given also to procure 15.5 cm armored howitzers to equip three battalions of the corps artillery as part of the army buildup. It is conceivable that modern artillery pieces could be produced in Austria, perhaps by the nationalized VOEST.

Next, the procurement of minelaying equipment is planned, designed for above-ground minelaying; 120 units are to be purchased. They are produced in two versions; the longer one designed to be attached to trucks, the shorter to armored vehicles, preferably to APCs. Inasmuch as the Austrian army has large requirements for mines, new Austrian-developed types will be procured shortly. First among them in 1983 were the antipersonnel missile mines (HSM), to be followed by antitank mines.

Until the present, one single, though less important handgun of the Austrian Army, the pistol, had not been standardized and modernized. The procurement decision was made in 1983 and 25,000 units will be procured within 3 years.

It was interesting to note that this standardized pistol would not be, as expected, the Steyr p 18, but rather the most advanced newly designed Glock 17, produced by Glock GmbH, a small factory not hitherto known for its handguns, which had however attracted attention by its excellent surveying instruments used by the Austrian Army. Their pistol is most unusual in all respects also. It has a new trigger system, whereby the weapon is ready to fire at all times without the need for separately moving a safety or tension lever. Because of this new feature all shots can be fired with equal trigger tension which can be chosen and set anywhere from 1.5 to 4 kg, thus nearly making a misfire of the first shot impossible. In addition, the weapon, even fully loaded, is relatively lightweight; even though it accepts 17 rounds, it weighs a mere 850 grams fully loaded. This is caused by the fact that as many parts as possible of this pistol, from the trigger to the magazines, are made of high-impact plastic, with the single-piece plastic handles integrated with the metal parts in a single production step. The pistol has only 29 individual parts, is heat and cold resistant and impervious to water, sand and mud. Inasmuch as the weapon has the proven Browning barrel locking device, its target accuracy is excellent, helped also by its excellent grip handle and a simple but precise sight. A finger rest on the trigger guard, added to all the other good qualities, guarantees excellent performance in combat firing. Its safety is exceptional also; there are three fully automatic safety devices, one of which is of particular interest. It consists of a small spring lever, located in the center of the split trigger, which must be depressed before a shot can be fired. On top of it all the price is most attractive, since it is lower than that of all better-known models. The first delivery of 5,000 units was made in the fall of 1983.

Apart from the annual delivery quota of 20,000 new STG 77 assault rifles, the urgently needed onion skin camouflage suits for all militia units are being procured also.

As to wheeled vehicles, a replacement and resupply program for motor vehicles of all types, to extend over several years, was started recently. Thus for instance the obsolete Puch-Haflingers, VW-bucket cars and some of the initially purchased Steyr-Daimler-Puch Pinzgauers must be retired. For replacements, emphasis is on the Puch G Crosscountry vehicles, which are to be used where the more expensive Pinzgauers are not specifically needed. Altogether this will probably include procurement of over 1,000 lightweight vehicles. Apart from procurement of about 50 heavy trucks, the most important purchase will be that of about 1,500 standard trucks, specifically the Steyr 680M. Even though in case of a mobilization great numbers of trucks would become available, the standard trucks must still be procured now, since the militia units need them urgently for training and exercise purposes.

Additional numbers of the three types of decontamination vehicles are being purchased: the universal type, the weapons and equipment type and personnel decontamination vehicles. However, since large quantities of

water are needed for radiation and chemical decontamination, the Austrian Army has developed, together with the Austrian automobile manufacturer Graef & Stift and the Rosebauer works, a tanker vehicle which can be used for firefighting as well as a water tanker for decontamination; for the latter purpose, there is an option of high-pressure insertion of decontamination fluid supplements into the tank contents. The special feature of this tank truck is its capacity of 4,000 liters, which makes it the largest firefighting vehicle in Austria and which has attracted great attention from local fire companies.

For purposes of replenishment, replacement and greater ease of deployment, 600 Puch Rangers, specially modified for defense needs, have been procured. These 50 ccm motorcycles have four speeds and are capable of cross country operation even when fully loaded.

Fairly large investments have been made for some time in the communications and electronics area. For example, the air warning and control system Goldhaube [Golden Cap] is under development. Unfortunately this fact loses significance since there are no interceptors to guide. The mechanized units are currently being equipped with modern radio systems. This is being started with the 4th Armored Infantry Brigade, which last year was equipped with the M 60 A3, the most modern combat tanks of the Austrian Army. The highest performance field telephones will be purchased from Siemens. These instruments, which are equipped with individual dials, were made in Austria.

Also being introduced is the Falke radio relay system, a state of the art system used for internal field communications. In addition there is the Telephone Infrastructure 80, whose skeleton forms a fixed radio relay net station system, which in case of emergency is augmented by additional mobile stations. All forces and units have their own station designators and can enter the network at any station. The most modern technology is used to permit independent pathway selection between the entering station and the destination, which happens almost instantaneously because of data processing use.

#### Personnel

Concerning the personnel situation, the training of reserve officers appears to be proceeding in a satisfactory manner, inasmuch as during the last 3 years alone, when the regular army lieutenants were deactivated, almost 450 reserve lieutenants were transferred to the reserve. On the other hand, there is a shortage of some 6,000 enlisted personnel, which cannot be recruited at present due to the current manpower restrictions. A new solution for this deficiency has recently been initiated. To counteract unemployment, the minister of finance has recently allocated several million schillings to permit the army to remove this deficiency in the militia cadre by engaging up to 6,000 short-service volunteers.

Beyond that it would be desirable to pass a new law of the type which had previously existed in Austria which would permit the preferential employment of noncommissioned officers with 12 years of service in other state or local services, e.g., as school janitors, gas meter readers, streetcar conductors, etc. If that old law were to be reintroduced, there would surely be no difficulties in attracting the necessary cadre personnel.

But a second problem should be dealt with: the prevention of an "age group cylinder." There is always talk of an age pyramid, but this does not apply in Austria. Obviously great numbers of lieutenants and first lieutenants are needed who in Austria remain in the service until they are 65 years old. As time passes they become colonels or, if they get into the general staff, even brigadier or major generals. But there is really no need for that many high-ranking officers; only a few separate from the service due to illness, accidents, etc. There is of course the opportunity to retire as early as age 60, but few take advantage of this, since at that age it is hardly possible to find another job. It has been suggested that a law be passed similar to one already in existence in other countries, under which officers at age 50 or 55 could retire at half pension. This would give them the opportunity of finding outside employment, and the result would indeed be an age pyramid which would be appropriate to the need for high-ranking officers in Austria. Not to mention the fact that younger people would in that way succeed to leadership positions, which is beneficial in a modern army.

#### Final Remarks

The foregoing may serve to demonstrate that a lot can be done with modest resources, especially when they are used appropriately and economically. It is extremely important that very high-quality and up to date products be purchased since they have a longer useful life and do not have to be soon replaced by expensive new items. In addition, certain work can be accomplished by army personnel. For instance, the tank barriers are made from steel I-beams in army shops; bunkers for the national defense are in some case constructed by the troops themselves. In the overall picture it can be seen that, apart from the air force, the Austrian Armed Forces are generally turning into a modern, combat effective army which will soon be impressive not only in numbers but also in equipment, and which will certainly be able to accomplish its mission satisfactorily in case of an emergency.

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## ORGANIZATION, MISSION OF NAVY'S MINE WARFARE FLOTILLA

Koblenz MARINE-RUNDSCHAU in German May 84 pp 204-212

[Article by Capt Claus Peter Neumann, commander of the mine warfare flotilla: "The Mine Warfare Flotilla"]

[Text] Mines and Mine Countermeasures

The mine as a weapon in maritime warfare is 200 years old. While it is often represented as the weapon of the weaker antagonist, its role has become increasingly larger during its history. The wide potential of its use have almost always been recognized while conflicts and wars were already ongoing and was put to work at that juncture. The use of mines basically has the objective of stopping traffic, or at least to provide a delaying obstacle for it. The mine causes geographic changes and reduces operational freedom; it thus works rather as a deterrent. The enemy is forced to coordinate his space and time factors in his operational planning as a result. This requires any use of mines to be implemented in a timely manner while observing international legal provisions, and forces political decisions to be made on a timely basis.

Basically the mine cannot be compared with any other weapons. Its special characteristics consist of the fact that once deployed it acts in a passive manner, works as a deterrent by its mere presence, and does not initiate its true, dangerous effect until it is impacted or activated by physical means.

This weapon which is no longer subject to control once deployed has a number of additional weaknesses. Some mine explosions have only limited effectiveness, and a mine cannot distinguish a true target from a decoy.

New technologies will bring about great changes in the mine deployment spectrum. It will become much "smarter," more accurate and more mobile. In the future, more attention will have to be paid to changes in mine "behavior" and its significance will have to be recalculated within the framework of the overall naval weapons picture. If for no other reason, this will be necessary because their deployment area, hitherto restricted to coastal areas, will extend far beyond them.



About 100 years ago the formation of German mine warfare forces came into being. In those days it was the mine itself which occupied the spotlight as a weapon. Consideration and action related to mine countermeasures did not start until shortly before World War I and did not take solid shape until after the war was in progress. For half a century mine countermeasures actually ran a distant second to the mine itself in time-consuming operations.

During World War II almost 100,000 German sailors worked primarily in mine countermeasure activities to protect coastal areas. There was constant mine-sweeping, using a variety of towed apparatus against moored and ground mines. In the end one never knew how successful the operation had been. For 10 years after 1945 the sweeping of the coastal waters proceeded at great expense and with many losses so as to make the shipping lanes navigable again. It took almost 25 years after the end of the war until mandatory routes were no longer enforced for civil shipping.

In the meantime, as of some 20 years ago, the use of Sonar has created a new dimension in mine countermeasures. Finally it became possible to locate and defend against mines in an active fashion; the interior mechanism of the mine, that complicated, sophisticated detonation system, suddenly became unimportant. The important thing now was to locate the mine; to destroy it was merely a matter of time. But the limitations of mine hunting were quickly identified; physical peculiarities in underwater acoustics, sea water and sea bottom conditions such as salt content, temperature, mud, rocks, etc., can drastically impair the likelihood of detection through Sonar location.

What needs to be done today and in the future, is this: simulated sweeping, as realistically as possible, and hunting, i.e., quick and reliable detection and, if necessary, destruction of mines. These are the two mutually complementary methods to achieve low-risk traversing of minefields for shipping.

#### Mission and Equipment

The chief of naval operations, Vice Admiral Ansgar Bethe, wrote the following about the role of mine warfare in the navy mission (in SOLDAT UND TECHNIK, 2/83): "Our navy's mission is many-layered and complex; its fulfillment in peace as well as in case of a defense emergency requires a combination of various, mutually complementary naval warfare materiel.

Navy planning considers mine warfare within the naval mission to be an essential component. The operational area of our navy on the northern flank of NATO appears particularly suitable for mine warfare due to the shallow coastal waters, the bays, inlets, narrow river deltas and harbor entrances.

On the one hand, mines are an effective means for deterring attacks upon our coasts and Baltic points of entry; on the other hand, the geostrategic situation offers the aggressor an opportunity for a goal-directed mining offensive with the purpose of interrupting our transatlantic and inner-European supply and reinforcement sea lanes; also, of restricting the operational freedom of NATO naval forces.



This is why mine deployment and mine countermeasures have for the German navy an equal and high order of importance. Proof for this are the extraordinary efforts at modernizing its resources."

This most recent general statement confirms the concepts which originated 30 years ago.

In the expansion of the navy in 1956, minesweepers were the first vessels to be commissioned. The minesweeper command, led by the future Admiral of the Fleet F.v. Blanc, combined the units, distributed among squadrons, into a type command.

In 1968, the headquarters, which had by then been renamed the Mine Warfare Flotilla, moved to the 4th sea harbor in Wilhelmshaven. Its commander is, like all other type commanders, directly and totally responsible to the chief of naval operations in peace as well as in a defense emergency. He is directly responsible to him for the combat capability and combat readiness of all personnel and materiel of the units (see MARINE-RUNDSCHAU, issue No 3, March 84, concerning the naval forces command).

The commander is in direct command of six minesweeper squadrons and the mine clearance diver company. In peace time, operational deployment is the prerogative of naval headquarters; for visits to foreign waters, of the commander, naval forces Baltic. In case of a defense emergency, operational deployment is changed by subordinating the command to the NATO command structure under the Flag Officer Germany or COMGERNORSEA, if the latter have exchanged their national hat for that of NATO. Here we must mention the fact that the commanders remain the same individuals, thus avoiding any ambiguities in command responsibilities.

In his primary role as commander of troops--equivalent to a brigade commander--he is responsible for all aspects of mine-warfare at the national level; at the NATO level he is the coordinator for all activities guided by the Minewarfare Working Party as the head of its German delegation.

To fulfill his mission, he has a standard type of staff consisting of about two dozen officers and noncommissioned officers and a few backup personnel. This personnel force is to enable him to create all the necessary prerequisites for the squadrons' ability to fulfill their missions (Fig 1).

Breakdown into Mine Deployment and Mine Countermeasures is reflected also in the location of the units (see chart). Their equipment is presented separately on p 208.

In the Baltic it is of importance, in coordination with other naval warfare resources and forward defense, to proceed with timely laying of defensive minefields for the protection of friendly territory. This requires a permanent, high level of readiness, which can be achieved by goal-directed training, repeated exercises and adherence to timing standards based on a certain alert procedure. Quick and reliable execution depends, as it does everywhere else, on experienced personnel.

## Mission of the Mine Warfare Flotilla

Type Command: Provide operationally ready minelaying and mine countermeasures defense forces for the navy;

Baltic Squadron: Lay defensive mine fields in entries to the Baltic; defensive mine warfare

North Sea Squadron: Mine countermeasures, to provide operational freedom for:

--friendly forces

--military reinforcements

--convoys

Mine Clearance Diver Company: Mine clearing in the North Sea and Baltic; detection and removal of [enemy] warfare materiel.

Since the crews consist of one-third each of draftees, short-term enlistees (SaZ 4) and career or long-term enlistees, the need for training is extraordinarily high. Requirements for leadership qualities among superiors are a special criterion in assembling crews. In the four Baltic squadrons the division concept which was established many years ago--synchronized switches of personnel between operational and maintenance duty--has guaranteed the achievement of the requisite minimum operational readiness.

The units located between Flensburg and Neustadt/Holstein are required to perform additional mine countermeasures tasks for the entire operational area. For this purpose they are equipped with a variety of conventional sweeping apparatus to deal with moored and ocean ground mines. Since they must be ready at any time to perform either minelaying or minesweeping tasks, their overall equipment makes them selfsufficient for either.

To make certain that the minelaying mission could be fulfilled, the flotilla purposely maintained many, but small units so as to be less vulnerable. This arrangement can only be maintained by using a large number of personnel. To accomplish the mission it is always necessary to have other naval units provide protection to the mine warfare units which are poorly equipped to defend themselves against sea or airborne threats. This is practiced in all exercises and draws the attention of all participants to the fact that any minelaying operation requires the use of a great number of resources as well as practiced mutual understanding. Attention is paid to this in planning, training and education and it is successfully executed.

### Resources

18 Inshore mine sweepers

21 fast minesweepers

12 Minehunters

6 Remote controlled sweeping systems

2 Mine clearance driver boats

2 Mine transporters

3 Tenders (command and support)

64 Units

In the Baltic, the mine clearance diver company deserves attention, apart from the squadrons. It is the third of the essential defense components, along with the sweepers and hunters. Wherever the floating units with their equipment can no longer be used--e.g., in harbors, locks, docks, landing beaches, etc.--these underwater specialists must look for mines. For this purpose they are organized with sea and land support, flexible in their composition and equipped with the necessary special instruments all the way down to a hand-carried Sonar. Detection and elimination of explosive weapons, mines or other devices under water require extraordinary qualifications, physical fitness, psychological equanimity as well as a high level of knowledge of all types of operational procedures. The mine clearance diver, similarly to the frogman, belongs to a group of cronies in which comradeship, blind trust in one another, strong self-confidence and other virtues are an absolute requirement. This is one of the reasons why the mine clearance divers' company trains its own replacements; behind that, it supplies the minehunters with diving officers and noncommissioned officers.

In the North Sea the Class 331 minehunters of the 4th Mine Detector Squadron and the remote control sweeping systems of the Class 351 ("Troika") of the 6th Mine Detector Squadron constitute a strong and modern mine countermeasures component. Their mission is to keep the shipping lanes clear to the harbors which are destined for civilian and military resupply. If the latter has come from America, 3,000 miles away, these boats must make sure that in case of enemy minefields the timely and secure arrival is not endangered a few miles from its destination.

These two mutually complementary weapon systems detect and sweep all types of sea mines in accordance with well-proven tactics in the area of their deployment, with consideration of a determined threat and according to priorities allocated, regardless of the mines' construction or tactical program.

They can be quickly deployed where and when needed depending on the type and number in the operational area as a result of the augmented necessary maintenance support for modern weapon systems. Deployed forces are under the tactical command of experienced staff officers in the widest possible area; these staff officers receive their basic task orders from the headquarters. Orders and reports are thus reduced to the minimum necessary.

With its remote controlled units the German navy is able to deploy the most modern weapon system for simulating mine sweeping. This has resulted in almost tripling sweeping productivity with the use of equal numbers of personnel, while greatly reducing the need for traversing minefields which is so hazardous for both men and machines.

#### Summary and Forecast

With the 64 units comprising the mine warfare flotilla, this force constitutes the strongest element for mine warfare of the Western nations. The present configuration of units for minelaying and mine countermeasures, including its command and support components, is equal to fulfilling its mission.

Inasmuch as all equipment has had an extended service life, replacement with a new generation of mine warfare vehicles is gradually taking place.

This change of generation will be initiated during the next few years with the planned new Class 343 minelayers and Class 332 minehunters, which have identical platforms and essentially similar equipment (except for the difference in mine countermeasure instruments). This requires even today many preparations and decisions which involve constant participation by flotilla personnel.

The financial, and future increased personnel, problems constitute a challenge for getting the most out of available resources.

Points of emphasis for future mission accomplishments will be the following:

- capability for deploying mines in the Baltic as an effective means of deterring attacks on our coasts and the entries to the Baltic;

- improvement of mine countermeasures capabilities by modern minehunters, so as to be able to guarantee the secure and free use of shipping lanes which are so important for our country in case of an enemy mine offensive.

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CSO: 3620/349

## DETAILS OF BUNDESHEER'S INTEGRATED 'HEROS' C3 NET

Munich EUROPÄISCHE WEHRKUNDE in German Apr 84 pp 224-230

[Article by Lt Col F.-J. Schaechter: "The Command Information System of the Army (HEROS)"]

[Text] With the increasing threat by the numerically superior forces of the Warsaw Pact, it is becoming increasingly important for the army to have its own forces available at the decisive place, at the correct time, and in the optimal battle disposition. However, this is increasingly more difficult since a rapidly proceeding battle leaves only little time for staff work, for planning and the issuing of orders.

We are correct in insinuating that higher quality of weapons systems and better leadership can make up for numerical inferiority. Better leadership, however, only counts if it actually has an effect on the battlefield. An outstanding unit can no longer make up for measures that have been introduced too late. A modern weapons system requires the connection with other supporting systems (for example, with reconnaissance resources).

Both--unit and weapons systems--can attain their full combat value only if the task of "command" is perceived optimally. If not, considerable limitations are to be expected in efficiency.

Command requires "means of command". By this we mean forces and means, in order to receive, process and transmit the necessary information for the command process. Modern electronics and advances in the technology of data processing make it possible to offer to staffs as well a support which is consonant with the requirements of a future battle.

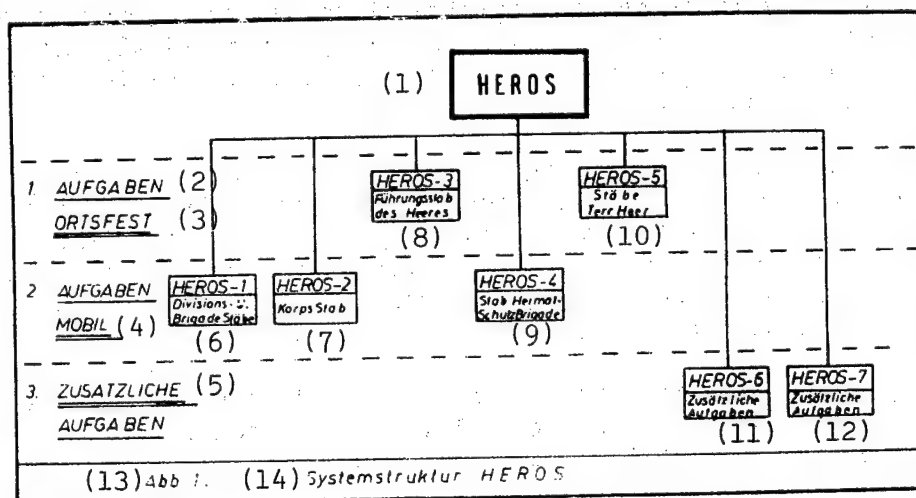
#### Demand for Comprehensive Support of Command and Staffs

Already more than a decade ago, the bases for the gradual introduction of a data-processing-supported command information system were created. This project to begin with received the designation "Command Basic System Army" and, after approval of the concept, was renamed "Army Command Information System for the Computer-Based Conduct of Operations in Staffs"--better known under the abbreviation HEROS.

The main goal of the project is the improvement of the command performance of the staffs. In so doing, a more rapid reaction of the own command in battle is to be attained and the conduct of operations of the major formations of the army is to be qualitatively improved. But this is only possible in the information linkage between reconnaissance resources, command, unit and weapons system; in the case of a rapid information flow between the staffs, in the case of the immediate processing of the information offered within the staffs, and only if all basic and special command areas are included. The limitation to individual command levels or a few spheres of responsibilities would contradict the purpose of a comprehensive command information system. What must be considered, however, is which tasks must be supported on a priority basis and whether all staffs are to be equipped with the same apparatus.

In line with the basic idea of an army-wide command information system, its realization was at first included in the plans for 7 different projects. These can be introduced and used independently of one another (Illustration 1).

Illustration 1:



Key:

- |   |                                      |
|---|--------------------------------------|
| 1. Army Command Information System for the Computer-Based Conduct of Operations in Staffs | 8. HEROS-3 Army Staff                |
| 2. Tasks  | 9. HEROS-4 Home Defense Forces Staff |
| 3. Stationary   | 10. HEROS-5 Territorial Army Staffs  |
| 4. Mobile   | 11. HEROS-6 Additional Tasks         |
| 5. Additional   | 12. HEROS-7 Additional Tasks         |
| 6. HEROS-1 Division-, Brigade Staffs  | 13. Illustration 1                   |
| 7. HEROS-2 Corps Staff  | 14. Systems Structure HEROS          |

These individual tasks in turn can be combined into three spheres of responsibility:

Support of staffs used in a stationary manner

--HEROS 3 (Army Command Staff)

--HEROS 5 (Territorial Army Staff)

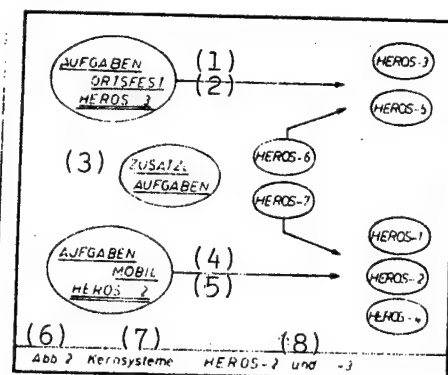
Support of staffs used in a mobile manner

--HEROS 1 (Division- and Brigade Staffs)

--HEROS 2 (Corps Staff)

--HEROS 4 (Mobile Major Formations Territorial Army)

Illustration 2:



Key:

1. Tasks

2. Stationary

3. Additional Tasks

4. Tasks

5. Mobile

6. Illustration 2

7. Core Systems

8. HEROS-2 and 3

Support of special tasks in peacetime, crisis, state of tension and for mobilization (HEROS 6 and 7). This can be attained, above all, through additional application programs (see Illustration 2).

#### HEROS-3 Core System for the Support of Staffs Used in a Stationary Manner

To begin with, HEROS-e was conceptualized for the support of the Inspector of the Army, as well as the command staff. After the fundamental decision concerning the introduction of the command information system from "top to bottom", this project has acquired a special significance. Here the first data processing instruments suitable for service use are being introduced, which allow commanders and staff personnel to gather experience of their own in the use of this new command resource. The altogether positive results of several exercises give rise to the expectation of a rapid development of this project. HEROS-3 has thus become the pilot project for all staffs, whose data-processing-based command systems are to be used in a stationary manner.

#### HEROS-2: Core System for the Data Support in Mobile Army Staffs

After introduction of HEROS-3 for the army command staff it was expedient to include in the plan, to begin with, the support of the next lower command level. For this, a concept had to be developed which does justice to the interests of all major formations of the army. HEROS-2, as core system for the mobile staffs of the army, is intended to support them above all in coping with time and labor-consuming routine activities. In so doing, the exchange of information on all command levels

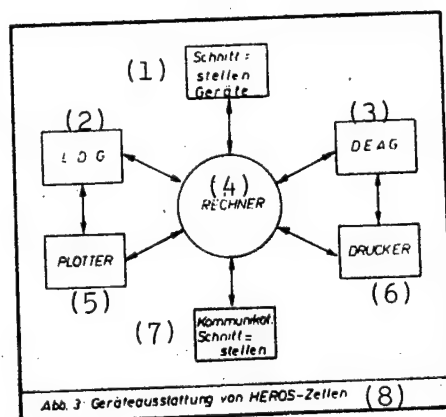
--within the command posts

--between the command posts and

--with other command and technical information centers

is to be automated. As a whole, information processing is to be simplified and accelerated through HEROS-2. For the time being, the main point of emphasis must be the improvement of the internal command post information processing. Under present conditions, already up to 75 percent of the total running time of reports and information are "used up" here. The acceleration of the actual transmission process between the command posts produces only a small gain with a comparatively high expenditure, if the problem of the time-consuming command post work is not solved beforehand. The system of a command post supported by HEROS consists of several cells, whose equipment should be standardized as much as possible. The minimum equipment of the cells includes:

Illustration 3:



Key:

- |                                       |  |
|---------------------------------------|--|
| 1. Interface equipment                | 5. Plotter   |
| 2. Situation representation equipment | 6. Printer   |
| 3. Data input and output equipment    | 7. Communication interfaces                        |
| 4. Computer                           | 8. Illustration 3. Device equipment of HEROS-cells |

--Computer

--Data input and output equipment (DEAG)

--Printer as well as

--Communication interfaces.

In the way of special additional equipment, the following must be envisaged:

--Situation representation equipment,

--Plotters as well as

--Interface equipment.



The main tasks of the system, the actual information processing, takes place in the computers of the individual cells. The equipment of all cells of a combat post with mobile and robust small computers is certainly expedient. Through this, mobility, flexibility, redundancy and survivability of the overall system are increased. Such a broad equipment with computers, however, is expensive, moreover the capacity of all computers at the cell must be adjusted to the greatest information need. Here alternatives still present themselves. Conceivable is the relinquishment of their own computers by individual cells or also the equipment with computers of different capacity.

The data input and output equipment (DEAG) of HEROS-2 is equipped with a screen and a keyboard. It is their function to make possible the input and output of data at the interface between command assistant (= user) and the data processing system, and to make these visible on the screen.

These displayed data can be printed on paper with a printer. This is important for the documentation and further processing in areas which do not have HEROS-support at their disposal.

The situation display equipment (LDG) and plotter form in their tasks a comparable unity like the data input and output equipment and the printer. The situation display equipment is intended for the computer-based command of situation maps and for the graphic issuing of commands--with the plotter this information can be printed out on paper or foil.

The significance of the plotter increases when not all cells of a command post have a situation display of their own. The plotter is then the tie between "traditional" situation map command and the data support. It seems important to demand an efficient and robust piece of equipment; technical refinements can be postponed.

#### Information Link Within the Command Post

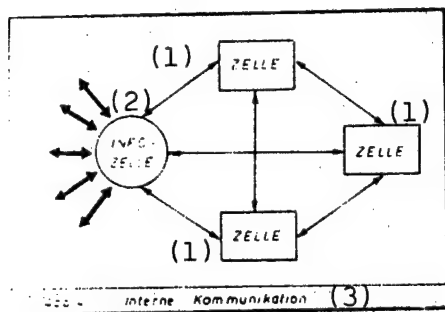
Several of these cells--as standardized as possible--form the command information system of a command post. Only in the case of the smooth linkage of these cells can the information exchange be improved within the command posts (see also Illustration 4).

The danger to the command posts by enemy weapon effect requires the most extensive possible dispersion. Means of communications which allow the exchange of data between deployed cells and the "normal" command post communication are not yet available in the army. Battle cables are only conditionally suitable for wide band data transmission, their use is impossible because of the high personnel and time expenditure.

The traditional radio voice circuits in the VHF band likewise do not fulfill the necessary prerequisites. Parallel to HEROS-2, therefore, a new command post communication system must be developed. Two possible solutions to this problem are under discussion: A wireless system in the microwave band as well

as modern fiber glass cables. The advantages of the wireless system are immediately obvious: The demands for mobility and flexibility can be fully met. The use of microwave systems in the military sphere, however, has not yet been tested, likewise the applicability for data transmission thus far has not been practically demonstrated. The dependence of microwave transmission as the only command post communications system means, therefore, to assume a high risk with respect to the punctual availability, as well as high development and acquisition costs.

Illustration 4:



Key:

1. Cell
2. Information cell

3. Illustration 4. Internal communication

In the case of fiber glass cable, the high technical capacity is attractive, the transmission safety, and not least of all the punctual availability and the relatively low price.

These advantages, however, are purchased at the cost of low mobility and large personnel expenditure.

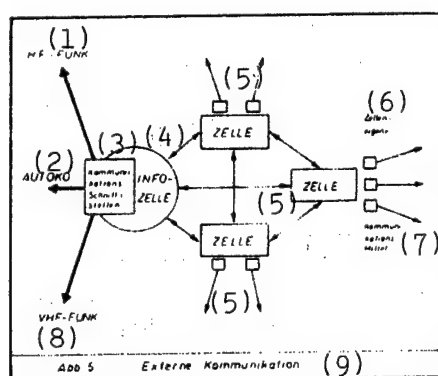
The ideal system, which combines the advantages of both means, will be impossible to find. In the decision in favor of one or the other system, the operational necessities of the command posts must be thoroughly taken into consideration. The brigade and division command posts (head) require a highly mobile system, corps and rear combat command posts could use its advantages only partly. What appears expedient, therefore, is a wireless core system for highly-mobile command posts, which can be expanded and supplemented through fiber glass cable.

Almost more important is the punctual availability of this system. It must be introduced together with HEROS-2, otherwise the latter's advantages cannot be used. HEROS-2 without a new command post communication system means reduced mobility and increased danger to the command posts. This would lead to the restriction of the command capacity--and not contribute to the required improvement.

## Information Link With Other Command Posts

The direct communication outside the command post takes place through the information cell of a command post (see Illustration 5). This cell is thus the decisive link between the internal command post information processing and all information which goes outside or comes from there.

Illustration 5:



### Key:

- |                               |                                      |
|-------------------------------|--------------------------------------|
| 1. High-frequency radio       | 6. Cell's own                        |
| 2. Automated corps master net | 7. Means of communication            |
| 3. Communication interface    | 8. VHF radio                         |
| 4. Information cell           | 9. Picture 5. External communication |
| 5. Cell                       |                                      |

It can be easily recognized that this "bottleneck" determines the entire external information linkage.

This does not mean that only the information cell is connected to the external telecommunication system. On the contrary, up to now it is envisaged to equip above all the other cells with modern means of communication. Thus the G3 of a brigade continues to require "its" radio equipment, although he can feed the information being received only by means of an expensive process and via the roundabout way through the information cell into the HEROS-system.

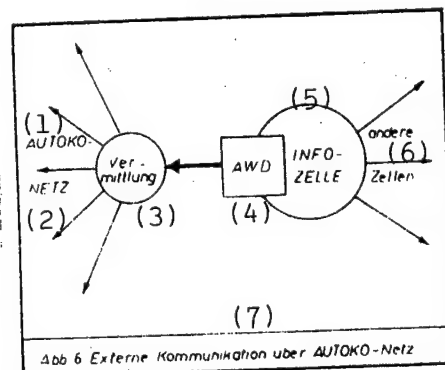
In the future, too, HEROS-2 will not be the only means of rapid information exchange. Graphic and alphanumerical data can likewise be rapidly transmitted with the facsimile recorder--but there is no direct transition to HEROS. Instead, however, teletype messages as punched tape can be directly taken over from system to system. The disadvantage is that the personnel-intensive teletype operation is to be given up in favor of the facsimile writer.

The fundamental requirement is to carry out the rapid external data transmission from HEROS via tactical telecommunication systems. This means that for HEROS no telecommunication systems of its own are to be produced or special telecommunication nets are to be manufactured. The data transmission, therefore, must take place through VHF or HF radio connections.

Beginning in 1985, the 2nd introduction segment of the automated corps master net (AUTOKO II) will be acquired for the field army. Through the new radio link system technology the field wire/radio link system connections in the rear of the brigades are substantially improved. This is a decisive prerequisite for the information link between the staffs that are being equipped with HEROS equipment.

For a data exchange within the AUTOKO-net (see Illustration 6), a connection must be produced between the computers of the information cells. This is effected through the automatic selecting device for data (AWD), which secures the access to the net through a relay facility. A direct data transmission, however, is not possible for technical reasons. For this reason "modems" (modulators and demodulators) must be switched in between, which process the digital data signals in such a way that they are similar to the "normal" alternating current signals of the AUTOKO-connections. Thus the utilization of the AUTOKO net for data transmission is made technically possible. Whether the capacity of these nets will be adequate for the management of the new HEROS-traffic generation cannot not yet be answered.

Illustration 6:



Key:

- |                               |  |
|-------------------------------|--|
| 1. Automated corps master net | 5. Information cell  |
| 2. Net                        | 6. Other cells   |
| 3. Relay                      | 7. Illustration 6. External communication through AUTOKO-net |
| 4. Automatic selecting device |  |

Only practice will show what information quantities will actually have to be transmitted, what the effect of net failures will be, and how the constant computer alignment after the changing of command posts and other downtimes is coped with. Even after the introduction of HEROS, the AUTOKO-net must remain usable above all for the tactical command. If this is not possible, an important objective of HEROS is not attained, viz., the increase of command efficiency.

The information exchange within automated nets (such as AUTOKO) is technically solvable. Problems arise in the transition to nets with manual trunking schemes, e. g., to nets of the army groups, the allies and the territorial army. Already now it is certain that smooth transition, without additional expenditure and without additional interface equipment, will not be possible.

Radio links as the most important supplementary means of communication are envisaged in those major formations whose command efficiency is to be improved through HEROS. A data exchange, therefore, must also be possible via radio. The transmission quality, as a rule, is worse in the case of radio links than in the case of wire/radio link connections, more frequent malfunctions and interruptions must be anticipated. For this reason, it is necessary to secure data especially in the case of radio transmission, to transmit them several times, and to provide for special processes for error correction. This means additional expenditure and results in the fact that the effective data are transmitted more slowly by radio. If, however, one wants to attain the same "utilization rate" as in the case of wire-bound means of communication, the transmission speed must be clearly increased. In practice this means that a transmission speed of 16 Kbits per second is necessary in order to transport a load capacity of 2.4 Kbits.

With the VHF radio equipment SEM 25 available in the army, such a high transmission speed cannot be obtained.

Continuous data operation can in this equipment lead to the destruction of the transmitting tube. For this reason, HEROS-requirements with respect to VHF radio connections are not yet realizable at the present time.

Only with the future radio equipment generation A/VHF (SEM 80/90), in conjunction with a connection unit radio (AEF) will data transmission via radio be possible. The technical prerequisites will then have been created for carrying out external data communication via a supplementary means of communication. VHF radio transmission, however, is limited in its range. For this reason it is not suitable for corps, and only in a limited way for divisions.

For these command levels, HF-radio connections are envisaged. However, because of their susceptibility to malfunctioning of all sorts, these are technically even less suited for transmission than the VHF connections.

At the present time it cannot be anticipated when practicable solutions for rapid data transmission in this frequency range will be available. For the present, therefore, an expensive conversion of HEROS-data into "conventional" punched tapes is necessary, which then have to be transmitted at low speed. This means transmission times which are approximately 50 times as long as the connections of the AUTOKO-net and is therefore not acceptable.

#### A Few Aspects for the Further Realization of HEROS

HEROS-2 is the core system for the realization of the data processing support of all major formations of the field army and can also find application in

the territorial army for comparable command levels. The objective of this system can only be attained in the system linkage, this includes the necessary communication connections. The command needs information: But the computer can process it only if it has received it in good time and in sufficient quality. Increasingly, therefore, the necessity becomes evident to plan command information systems and communication systems together and to introduce improvements jointly. This applies also later for the utilization stage, here the responsibility for operational readiness and availability must be clearly regulated.

Command information systems process alphanumeric information. Command, however, exists primarily through the person of the commander and through interpersonal relations. HEROS can only support, but not replace the command. The command information system can only take over the routine information exchange, the personal exertion of influence by the commander will always be added. Oral personal commands and reports, situation reports, battle discussions, etc., in the future, too, will not be replaceable, they must continue to be made possible. The necessity of personal command increases the lower a command level is. At least at the brigade level personal command must be continued.

This point of view should be carefully taken into consideration in the introduction of HEROS, it should likewise play a substantial role in the decision concerning the lowest input level.

8970  
CSO: 8970/347

## ARMED FORCES COMMANDER VALTANEN ON MISSION, PEACE MOVEMENT

Helsinki KANSAN UUTISET in Finnish 5 May 84 pp 12-14

[Article: "Thousands of Jobs Available"]

[Text] Armed Forces Commander General Jaakko Valtanen, 59, does not tire of offering thousands of new jobs in the Army to civilians. Jobs could be made available for motor vehicle drivers and guards, among others, without any initial start-up expenditures as long as money for wages can be found from the state.

But General Valtanen is willing to talk about things other than issues concerning the armed forces. In this interview he was asked, among other things, to define his attitude toward the peace movement and civilian service. However, the emphasis is on the problems of recruits since one of the interviewers, Matti Haapalainen, was still wearing the gear of a cadet while writing the story.

[Question] What is the commander's feelings about the recent debate on civilian service?

[Answer] In my opinion it seems to have been slightly blown out of proportion. Valtanen states that the so-called refusal to bear arms in Finland is not at all a military but a social problem.

It is a question of how far can society tolerate the fact that its citizens select what laws they will observe and what laws they will not on the basis of personal arguments. The resolution of this question is not, of course, in the hands of the armed forces, but the solution must be made there where social questions are, in general, resolved.

Valtanen emphasizes that the job of the armed forces is only to train as soldiers those men who come or are drafted into the military service. Service in the armed forces is regulated by laws and statutes. Valtanen sees as a kind of problem the fact that there are no clearly defined regulations on civilian service.

The whole issue is now out of control.

## Peace Movement Is Not an Opponent

[Question] What is your attitude toward the peace movement? Do you see it as a kind of opponent to the Army?

[Answer] During my term as commander I have repeatedly confirmed as positive the fact that here in Finland as elsewhere there are aspirations to raise public opinion against the arms race of the superpower, nuclear weapons, and war -- on behalf of disarmament.

Valtanen points out that each bit of progress in these questions increases the security of small countries, in particular.

We cannot have anything against the fact that this kind of work is being accomplished. As far as I know, it has never been said in the armed forces that the peace movement is seen as an opponent.

[Question] However, you apparently do not believe in the watchword of the peace movement that Finland can begin the disarmament process?

[Answer] No. I also cannot really understand that the conditions of certain Central European countries can be directly transferred to Finland.

Valtanen wants to make a definite difference between Finland and those countries in which the peace movement was born and in which its activities have been the strongest:

They are countries which belong to military alliances and which have foreign troops and nuclear weapons on their territories. In a crisis situation they will definitely be targets. To me it is clear that the people's anguish about what can actually happen now rises from such conditions.

In many respects our situation is completely different. We are in a kind of unique position -- not only here in the Nordic area, but in almost the whole world. We do not have any enemies. Our position is acceptable to both superpowers. We control our own territory and we strive to remain outside of conflicts and wars. This is also most certainly a benefit to our neighbors.

According to Valtanen, it is also incorrect to compare the obligations of Finland's armed forces qualitatively or quantitatively with the armed forces of the superpowers or large countries, in general, with all their assault weapons systems and nuclear arms.

## Maintaining the Present Level

[Question] Finland uses approximately 1.5 percent of its gross national product for national defense. Is this figure sufficient in your opinion?

It is a figure which was arrived in the reports of several parliamentary defense committees. It is, of course, quite low when one takes into consideration that level from which the development of the armed forces was begun.



However, Valtanen emphasizes the significance attached to the fact that a broad social unanimity has been reached on this 1.5-percent level.

It has meant that it has been possible to develop the armed forces in a rather socially peaceful atmosphere. This development has also occurred on the basis of long-term planning and thus it has been possible to manage allocations in sensible manner from the point of view of the economy.

Valtanen points out that the development of the defense establishment has taken place slowly and at a low level in the opinion of the armed forces, but in a purposeful and stable manner, however.

My own personal concern is directed toward the fact that we could maintain even this level of slow development and still meet the obligations of the armed forces.

#### Joys and Sorrows Together

[Question] Does the time served by a recruit, in your opinion, correspond with today's needs? Recently, there have been proposals to lengthen it.

[Answer] Our service obligation time is unusually short, one of the shortest in the world. It presents serious challenges to the armed forces for the reason that we ourselves do not determine the length of service, but this is one resource given to us by society.

Technical development has continually increased pressures on training. We have not always been able to convincingly demonstrate, for example, to foreigners that we are able to train sufficiently competent soldiers in such a short time for branches of services that are continually becoming more sophisticated from a technical point of view.

General Valtanen admits that many recruits can feel that even a short time in the service is a waste of time. A bright young man learns more quickly than his slower comrade, but training is, however, the same for everyone. In some countries the men are grouped according to intelligence and civilian education and academic and university student companies are formed. Such a system is not applicable to our conditions in Valtanen's opinion.

In my opinion we would lose the benefit of that irreplaceably valuable social communication which is achieved by the fact that young men from different social groups and backgrounds come together and experience the same joys and sorrows of a military community.

Experience has shown that universal conscription has a socially equalizing effect and in its own way it is also a factor that strengthens democracy.

#### More Than 5,000 Jobs

[Question] You have proposed the elimination of tasks for recruits that are secondary from the point of view of military training. What are these tasks?

[Answer] We have a regrettably large number of such auxiliary service duties which recruits are required to accomplish for the reason that we have not been able to obtain paid personnel for such jobs.

In Valtanen's opinion, the duties of a stock-room assistant as well as duties connected with the maintenance of kitchen services and a garrison, among other things, could be accomplished better by civilian and enlisted personnel.

Another large group, which also places a burden on our training, are motor vehicle drivers. Thousands of men are tied up every year in the driving of motor vehicles and thus they are diverted from actual military training. The armed forces have no reason to train drivers for the reserves, since nearly every citizen has a driver's license and we even have more truck drivers than we need.

This is, indeed, an area in which professional motor vehicle drivers could find employment from us and free recruits for training.

Valtanen also considers the guarding of warehouses and supply depots to be a waste of time for recruits. Professionals could carry out this function with less personnel by means of technical equipment and more effectively than recruits.

We would still have many recruit positions open!

[Question] If there is a desire to create jobs, money is needed. Your proposals probably do not have a chance to be realized for this reason?

[Answer] On the contrary. We are apparently the only institution in which thousands of jobs are available and in which, for example, the difference between unemployment compensation and wages is not so great that employment would not be economically justifiable.

If jobs are not opened up according to Valtanen's proposal, then it is a question of something other than money in his opinion. The Third Parliamentary Defense Committee studied the Army's personnel needs and came up with the same figures as the Army itself, an additional 5,000 people. The committee recommended that a fifth of the shortage be made within the next 5 years, which means annual wages for about 600 people at the expense of the state.

If Badly Treated...

[Question] It is boasted that the national defense willingness of the Finnish soldier is high. However, in the daily routine of military service there are many circumstances which cause negative feelings against the whole institution. Is the armed forces leadership concerned about the fact that the desire to defend the country could decline because of bad times experienced in the service?

[Answer] I believe that in the most profound sense of the issue there is very little relationship between a defense will and changes of mood caused by daily service.

Naturally, if someone is very badly treated in the armed forces, it could leave a wound which would then inhibit the desire to defend one's country.

A defense will is built on rather far-reaching factors: how a citizen relates to his life and position in this society, how he satisfies his basic needs and sense of security, whether he feels himself to be necessary as a member of society -- and the value he places on his life and objectives.

#### Problematical Non-commissioned Officer School

[Question] Recruits receives training in the non-commissioned officer school, in which the method seems to be "through the boot". Is it possible that the armed forces do not have more refined training methods?

[Answer] Our training does not aspire to a situation in which everyone should learn through a boot, but, naturally, our aspiration is to train by methods which will make recruits understand quickly and easily.

Valtanen says the non-commissioned officer school is a problematical phase. There a man is required to break from the ranks and become a leader. The change of role is not easy for everyone and for this reason it becomes necessary to "beat a subject into someone's head".

And instructors are also people. One cannot think that the instructors in the non-commissioned officer school are always the best. In many cases they are average officers, in whose abilities there is room for improvement.

#### Troops Are Both Good and Bad

A military officer must resolve the most varied and complex personal problems, which a young group of recruits brings along with it when entering the service. Has additional educational and psychological training been considered in the training of permanent personnel in the armed forces?

We have been dealing with this for a long time already. As the recruit has become more educated, the requirements in officer training have been increased.

Valtanen states that when officer training was reformed 10 years ago, the proportion of leadership and education training was perceptibly increased. Presently, a cadet must complete a course in education at Helsinki University.

But officers are not geniuses, there are both good and bad instructors.

Valtanen believes that the hierarchical system in the Army creates high expectations with respect to its ability to function. It is not remembered that the Army is also made up of people with all their weaknesses. As a result of the authority of officers prevailing in the Army, the weaknesses and mistakes of an officer are emphasized more sharply than in the civilian world.

A recruit forms his idea of the whole military, to a great degree, on the basis of the kind of officers he has. At this time there are instructors who are not suitable for the position because of their personal traits and thus negatively affect the impression that many young men have of national defense. Is it possible that the armed forces do not have the means to get rid of such individuals?

[Answer] I must constantly act on proposal submitted by my subordinates to transfer individuals who are not suitable for the job. This does happen.

Thus the capability of transferring men does exist. According to Valtanen, it is also a question of whether it is always possible for us to obtain the right man in the right spot and the right person for the right job. In his opinion this is just as much of a problem as it is elsewhere in society.

I understand that from the recruit's point of view there are agreeable and disagreeable officers. Nevertheless, a disagreeable officer can still be an exceptionally good leader and an agreeable can be a poor leader -- he can be an individual who will only go along with everything his subordinates want.

Valtanen states that the reserve officers school is a particularly sensitive place: if an instructor mistreats his subordinates there, a negative impression of the armed forces can become permanent. Valtanen states that the armed forces have experience in this matter and an attempt is being made to select the best possible instructors for the reserve officers school.

#### A Lonely Man on a Circular Carriage

He talks about humanity, loneliness, and the problems of human relations. He is not, however, a basically sensitive man, but a big man with three lions on both lapels. He is General Jaakko Valtanen, commander of the armed forces, to whom we presented a few personal questions in connection with this interview.

[Question] You have been the commander of the armed forces for a little more than 6 months. What kind of work is it? What does a commander actually do?

[Answer] Indeed, it seems to be quite confusing and above all very time consuming. In our system nearly all events in the armed forces are personalized in the commander. One cannot really calculate working hours in this job. This is natural since the armed forces are a leadership dominated institution, in which the position of a commander is very important.

Valtanen states that he must deal with matter connected with the development of the armed forces: material procurements, the personnel situation, and the organization of training. In addition, the commander's job includes, among other things, the maintenance of ties with civilian spheres, the press, and also with the armed forces of other countries.

One ends up as if on a 360-degree gun carriage 24 hours a day.

## Contacts With Society

[Question] The general concept is that a commander's post is much sought after? Is it also worth seeking?

[Answer] As a result of the system, the commander of the armed forces is a very lonely person. The position cannot help but isolate a person. And this in itself is hardly worth seeking.

In Valtanen's opinion, a commander must work at maintaining former contacts and his role as a human being.

[Question] And what kind of contacts does the commander have with the rest of society, for example, with political decisionmakers?

[Answer] There are many contacts. I am directly subordinate to the President of the Republic and I consult with him about once a month. I am a member of the Defense Council, in which I regularly meet with other members of the Defense Council. From time to time the commander must make statements to parliamentary factions and committees. Naturally, I meet with MP's in other connections.

But the closest human relations of a commander are, naturally, with his own family, friends, and colleagues.

It Is Over!

This interview with the commander of the armed forces also concludes with a report on the Finnish Army by Matti Haapalainen, assistant managing editor of VIIKKOLEHTI.

Matti, who completed his recruit training in June of last year, has written about all the phases of military service from the early morning of a recruit to the splendid times of a cadet.

Matti began his military career in the Uusimaa Infantry Light Infantry Battalion in Santahamina. Yesterday he was promoted to an ensign on the same island and today is his first day as a civilian. It is over!

10576  
CSO: 3617/162

## BODO AIR FORCE BASE CHIEF CLAIMS SHORTAGE OF F-16 PILOTS

Oslo AFTENPOSTEN in Norwegian 2 Jul 84 p 19

[Text] "We have thrown away millions of kroner on F-16 purchases. The oldest and most experienced pilots join private companies which tempt with higher salaries. The shortage of pilots for F-16 aircraft will soon put us in a precarious situation. We have purchased more F-16 aircraft than we have pilots for," Col. Per I. Utgård, chief of the Bodo main air base, tells FORSVARETS FORUM.

The Air Defense keeps losing pilots to civilian companies, which are able to offer higher salaries and better social conditions. This is not a question of any precarious news, but the chief of the Bodo main air base, Col. Per I. Utgård, in the most recent issue of FORSVARETS FORUM, strongly recommends improving the economic conditions of military pilots.

"We have purchased F-16 for millions of kroner, but we have not got enough experienced pilots to utilize the advanced electronic possibilities of the aircraft. The state has spent millions of kroner on F-16 purchases on behalf of the Air Defense. Unless the pilot situation improves, we have purchased more F-16 aircraft than we needed," Col. Utgård says.

Major-General Magne T. Sørensen, who is inspector-general of the Air Defense, has not yet read the interview with Col. Utgård.

"However, it is a fact that we still have problems holding on to our pilots. If we were able to reduce the need to continuously train new pilots, we should be able to save a lot of money under the training budget. It is the experienced pilots who are seeking other jobs. These pilots would be the very ones to give instructions to newly trained pilots. We cannot possibly conceal the fact that civilian companies offer considerably higher salaries than we are able to."

"Is there an influx of new pilots?"

"Yes, so far, we have had a sufficient number of applicants. That is not the problem. The problem is that the number of experienced pilots is much too small compared to the number of unexperienced ones."

MILITARY

PORTUGAL

# EANES STATEMENT ON NATO QUESTIONED

Lisbon A TARDE in Portuguese 27 Jun 84 p 5

[Commentary by A.B.C.: "The Autonomy of Eanes"]

[Text] When we heard in a television news broadcast day before yesterday that Ramalho Eanes had said it was essential "to create the conditions for a European assertion of autonomy with regard to defense," we thought the news commentator had misspoken.

Yesterday, however, the same statement was quoted by the news agencies and the press in general, and no denial was forthcoming.

It is not certain what the president was trying to say. What does European autonomy with regard to defense mean to him? What is the nature and scope of this autonomy? What is the political objective? What is to be gained by this strategy?

It would be well, meanwhile, if Eanes explained himself. Such autonomy is not being advocated by NATO, by any of its members or by the Portuguese Government.

Even France, outside the military structure of the alliance, has never considered itself to be "autonomous" in the sense of asserting its independence from the United States in matters of defense. Quite the contrary, the French have been concerned, like the rest of the European countries, to "honor" the commitment of the United States in the defense of Europe; that is, to give coherence and credibility to the defense of the West against a common enemy.

The meaning of Eanes' words is, as always, barely understandable; as always, he is unique. In fact, no other Western European chief of state feels free to defend conceptions so different from those of the government of his country, particularly when, as in this area, such conceptions are a matter for political consensus which goes far beyond the government and the parties that support it.

6362

CSO: 3342/76

"What measures will the Defense Establishment take to hold on to its pilots?"

"We have contemplated various measures, such as an adjustment of the allowances paid to pilots. We, furthermore, hope that the new defense command agreement will work in a positive direction. It will take effect in the fall."

7262

CSO: 3639/131



## SOCIALIST YOUTH QUESTIONS MILITARY SERVICE

Lisbon DIARIO DE NOTICIAS in Portuguese 24 Jun 84 p 5

[Excerpts] Socialist Youth [JS] held a debate yesterday at its national headquarters, on the topic "What Military Service?" and recommended that the term for compulsory military service be reduced to 12 months and that a civilian service be created for conscientious objectors.

During the debate, there was also reference to the "unsuitability of the organization of the Armed Forces to its functions in democratic Portugal," functions which "should consist primarily in patrolling the nation's economic zone, specifically, its territorial waters."

JS member Eduardo Cabrita said it made no sense for Portugal to maintain the Armed Forces at the size they are now, or for the period of compulsory service to be so lengthy (18 to 20 months).

The militant Socialist added that the speedy regulation of the status of conscientious objector is justified, to avoid the abuse of the legitimate right to that objection. Equally, the establishment of a civilian service would enable young people to engage in tasks in the public interest, as literacy teachers, forest rangers and fire fighters.

According to Miguel Fernando, another participant in the debate, "the length of the period of military service is a real fraud," because, in his view, it constitutes a violation of the individual liberty of young people.

Another factor brought into the discussion was that, in relative terms and in this time of crisis, it was not justifiable for Portugal to rank third among the Western European countries in defense expenditures.

Deputy Acacio Barreiros, who also took part in the debate, generally distanced himself from the positions taken by the rest of the participants. He considered that "the existence of an effective armed force is an important condition for the defense of national independence," so the respective expenditures must be understood as an investment in the basic preservation of that independence. In his presentation, Barreiros also stressed "the indisputable quality of the Portuguese military industry" and the strategic importance of Portuguese territory in the defense of Europe. "Portugal," the deputy concluded, "is not a peripheral country; it is at the center of combat in any strategy for European defense."

## BRIEFS

FRIGATE DECISION IN 2 MONTHS--The Portuguese authorities are studying alternatives to the program for the Kortnair frigates; a definite decision is expected within 2 months, the Portuguese news agency NP learned from Figueiredo Lopes, secretary of state for defense. The defense secretary stressed that the decision will have to be made within this period in order to surmount the difficulties of financing the program to modernize our navy. Figueiredo Lopes said that, at this time, the Kortnair program "is in competition with other possibilities," since "it is very difficult to overcome the financial problems surrounding it." He added that the options are "to keep the program to acquire three frigates, but of another model or from another shipyard, under feasible financial terms," or a "joint solution," through adherence to the NATO program for a standard frigate by the middle of the 1990's, along with the modernization of the existing equipment. The modernization would involve the weapons and communications systems of the submarines, corvettes and frigates of the Joao Belo type, as well as the acquisition of a frigate as an expedient. Figueiredo Lopes said the government is already studying the options with the Navy General Staff, although there is still the possibility that the NATO allies participating in the Kortnair program will assist Portugal in overcoming the difficulties, which has not happened to date. [Text] [Lisbon A TARDE in Portuguese 26 Jun 84 p 3] 6362

CSO: 3542/76

## ISLAND'S WITHDRAWAL FROM EC RESULTS IN MORE AID FROM BRUSSELS

Godthaab GRØNLANDSPOSTEN in Danish 30 May 84 p 32

[Article by "lod-": "Tripled Contribution to Denmark; Greenland's Withdrawal from EC Gives Denmark Larger Contribution from EC's Regional Fund"]

[Text] Preben Lange's assumption that Denmark, upon Greenland's withdrawal from EC, would receive a greater share of EC's regional fund money can now be confirmed.

Last week EC's foreign ministers voted that Denmark's share of EC's regional fund is to be tripled henceforth.

Up to now Denmark has received about 180 million kroner, about 80 percent of which has gone to Greenland. But after Greenland's withdrawal from EC as of 1 January 1985 Denmark will receive between 85 and 115 million kroner for its developing areas. That is, a threefold increase in the amount received hitherto for Denmark's developing areas.

Up to now it has been said in Danish quarters that Denmark will neither lose nor win from Greenland's withdrawal from EC. But it is now clear that Denmark will have its regional fund grant increased by between 50 and 80 million kroner after Greenland's withdrawal.

However, the minister for Greenland denies that it is a question of a "gain" for Denmark, for he points out that Denmark is a "net payer" into EC's regional fund. However, during the EC election campaign in Denmark it was stated by several supporters that Denmark is a net recipient in the whole EC game.

At the same time the minister maintains that after the Greenland landsting [parliament] election it will be necessary to negotiate with the new local government--"whoever it will be then"--regarding the money which Greenland will receive from EC as compensation for fishing rights after the withdrawal.

Earlier there was reference to an official strategy in this matter and the minister for Greenland is apparently taking this strategy seriously.

## FEDERAL, LAND EFFORTS TO FOSTER INNOVATION, TECH TRANSFER

## Bonn Aids Fledgling Firms

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 9 Jun 84 p 15

[Article by Klaus Broichhausen]

[Text] This idea should make one independent. Thus thinks the young engineer who is developing a laser unit for materials processing. Another inventive head sees good sales opportunities for an electronic lock. A third one is concerned with developing an industrial robot. Anyone who wants to try starting a company with such ideas can obtain special support from a title of the Federal Research Ministry, called the model experiment "Funding of Technologically Oriented Business Starts." During the time from 1983 to 1986, 100 million marks have been set aside for this purpose.

Minister Riesenhuber has added this model experiment to existing start-up programs by the Federal government and the Provinces, with the reasoning that the start-up of technically oriented enterprises must still be tried out in the Federal Republic. An entire bundle of government aid is to be tested in collaboration with company founders, consultants, private fiscal sources, banks, and credit institutions, but especially venture capital associations. The founder of a company can be supported in three phases, financially and technically.

Extending over all three phases, the starting company founder is assisted by technology consultation agencies who are selected for the program by the Research Ministry. In the first phase, the idea is supposed to mature with the assistance of these consultants. A business concept must be created on the basis of a technical development which, if possible, should already be in the prototype stage. Finally, one must examine whether the product can establish itself in the market. For working out documents that are developed enough for evaluation, the Research Ministry will pay up to 90 percent of the costs incurred, with a maximum of 54,000 marks.

Non-repayable funds are again disbursed for the second phase, in which the technical product is developed to completion. Seventy-five percent of the development costs, with a maximum of 900,000 marks, are taken over by the Research Ministry. For financing the third phase, namely investment in

production equipment and market introduction, the Federal government, via the Equalization Bank, secures credits which are granted to the founder of the company by his own bank. This sharing of the risk on the part of the Federal government extends up to 80 percent of the investment, with a maximum of 1.6 million marks.

This is a major financial commitment on the part of the Federal government for individual technically oriented founders of companies. Because the state is so generous, there is no lack of applications for funding means. More than 20 projects have been approved since last year. At this time, there are 200 proposals which appear interesting. Among these there cannot be many developments that are entirely new. There are no empty markets. Most of the applicants, however, see an opportunity of becoming entrepreneurs with a technical advance, or of expanding an enterprise. Half of these applicants are concerned with microelectronics. A series of proposals have been presented for new devices in measurement, control, and regulation technology. Projects from bioengineering are also present, as are innovations in materials engineering. If clear comparative advantages appear from such developments, the Research Ministry is ready to step in financially with the foundation of a company. People who are rich in ideas, but who cannot by themselves risk the step to independence, should be given a starting opportunity.

This provision of aid on the part of the state, the Research Ministry assures, would not guide investments or control ideas. The Ministry is not supposed to prescribe, in a funding catalog, which technical developments are supposed to be future oriented. "We only wait for ideas from founders," say the responsible officials. The difficult question whether a technical development promises success is answered for the Ministry by the individual technology consultation agencies. On the basis of the recommendation of this consulting team, the officials in the Research Ministry then formally do decide whether an applied-for project fits into the program and whether the subsidies will be allocated.

This selection process must have weaknesses. As soon as the state directly funds individual projects, the question arises whether the correct projects have really been selected. The consultation agencies who make the preliminary decision and the officials who approve an application cannot always be sure whether this development offers a great opportunity and that one is hopeless. Finally, a few applications are picked out of many. Few can become company founders, because they know where subsidies are to be obtained and because the subsidies are allocated to them.

The experience from Riesenhuber's model will be instructive. At the end of the expensive experiment, one will know more about how the government should promote the foundation of technologically oriented companies and how it should not. Already today, it is clear that these company foundings cannot be forced with specific government programs. The climate must be primarily improved which encourages clever engineers original ideas. The obstacles which make it difficult to become an entrepreneur and to obtain venture capital must be removed.

## Technology Center in Aachen

Duesseldorf HANDELSBLATT in German 4 Jun 84 p 4

[Text] In tow by new technologies, a founders' center, unique in its type, has been set up in Aachen. In the immediate vicinity of the Technical University, young founders with future-oriented processes and products should once again lead the tradition-rich industrial area to the peak of innovative pioneering regions.

For ten years, the scientist Dr. Meino Heyen at the Institute for Semiconductor Technology of Aachen Technical University, worked on the development of so-called III-V semiconductors - a basic precondition for communication on glass fibers. When he recognized that the devices for producing these microelectronic components were ready for market, he quit his post at the college and settled down as an entrepreneur: "I wanted to do something myself."

As one of the initial seven charter founders, Heyen as the scientific manager of Aixtron Company resides in a factory building, over 70 years old, on Juelich Street in Aachen. Together with two colleagues, he henceforth wants to build the prototype of a "gas phase epitaxy system suitable for production". The "roof" under which he operates - just like the product - carries a futuristic name: "Aachen Technology Center."

Behind the renovated reinforced concrete facade of the previous factory for welding engineering naturally more is concealed than a preferred starting place for technology-oriented charter founders. At the beginning of the Industrial Revolution in the early 19th century, the old imperial city was at the same time the entry gate for modern technology from England via Belgium to Germany. The city believes that this is the best way to catch up again with its previous trendsetting role. In its central position in the European Common Market, the region - according to the IHK (Chamber of Commerce and Industry) - "has a technical-scientific potential that is found in fewer than 10 places on earth." Nevertheless, the Aachen area for a long time seemed in danger of declining to a development area. "Only more intense utilization of local technology will be able to counteract this," was the solution proposed by IHK President Heinz Malangre.

According to the judgment of the North Rhine-Westphalia Science Minister Reimut Jochimsen, the technology center should perform "pace maker services" - a joint project of the Aachen IHK, the Technical College, the city and county of Aachen, the banks, insurance companies, Chamber of Handicrafts, and the Julich Nuclear Research Installation. By 1986, about 30 fledgling businesses are supposed to figure out promising techniques of the future there, in close contact with the college and the research facilities of the region. Half of the start-up costs (1.5 million marks) were taken over by the Province of North Rhine-Westphalia. By 1986, an expenditure of 2.5 to 3 million marks is expected.

The "new dimension of technology transfer," as the Rector of Aachen Technical University, Günter Urban, describes the center, helps the participating charter founders with several starting advantages simultaneously, as a result of, according to Urban, "a bunching of available funding possibilities and intense cooperation with the scientific institutions of the region." The economical utilization of laboratory and workshop equipment of the cooperating partners, the reduction of the need for capital resources, through the joint use of services and facilities (secretarial staff, telephone, EDP, etc.), better evaluation possibilities of technical and economic risks, as well as intense consultation in connection with claiming public funds - all this should contribute to a high survival rate of the newly founded enterprises. The Aachen City Bank also wants to become very active here: It has set up an innovation credit program (1 million marks) "to fund innovative projects."

The center is managed by the Rhenish Society for the Funding of Innovative Corporate Founders and Technology Transfers e.V. (a Registered Association). It functions as a carrier of ideas, strives for means for the common useful purposes of the association, and funds innovative founding projects. On the other hand, the center is operated by the AGIT, the Aachen Society for Innovation and Technology Transfer GmbH. It provides consultation and services for the corporate founders.

Its clientele need not necessarily come from the colleges; craftsmen with ideas can also seek their opportunities in the technology center. No distinctions are drawn there in any case: Every corporate founder pays a rent of eight marks per square meter and additionally 600 marks per month, to use the start-up address and the service facilities. The IHK has good reasons for this "relatively high price": On the one hand, speculators should be discouraged and, on the other hand, the founders, once they are established in the market should make way for others as fast as possible - at the latest after two to three years.

#### Hannover Establishes Technology Park

Bonn DIE WELT in German 16 Jun 84 p 6

[Article by Count C. Schwerin]

[Text] The dispute between neoromantic hostility to technology on the one and and future-oriented technological euphoria on the other hand takes place not only among the political parties, but rather is a problem of the generations.

On the topic of technological progress in the Federal Republic, the Schleswig-Holstein Ministerial President Barschel stated to DIE WELT that the need for technological catch-up is a reason for the crisis in the labor market. But this does still not mean that a forced promotion of central innovation could in the short-term solve the structural problems of the Laender. The development in Baden-Württemberg and especially in the USA shows that the "translation of scientific results into the economy sometimes took 30 years and often longer."



The Economic Minister of Lower Saxony, Birgit Breuel, states "the hope," that the funding of the middle class inventive spirit will nevertheless yield much faster positive stimuli for the economy. The opening of the first Lower Saxony "Technology Center" in Hildesheim on 1 April is regarded by Mrs. Breuel as a first important step in this direction.

Here, in offices and workshops, inventors are to be offered a service which provides creative room for play and which initially liberates them from financial burdens. This is to be achieved by a private management association, run by the community and by the banks, which receives a one time allocation from the economic ministry (in Hildesheim, 4 million marks). The government bureaucracy supposedly has reached a stage of frustration which chokes all creativity and all possibility of development. But more important than the aspect of wanting to reduce the bureaucracy, is the effort of creating an experimental field, "a kind of hot house", where engineers and scientists can test their own capabilities.

The Hildesheim Technology Center, to be followed by a second one in the city of Hannover, - will collaborate closely with the college. The running costs for office and workshop equipment are borne by the users themselves. This "experiment", according to Mrs. Breuel, was preceded by experience with the "inventor's center in North Germany," which has existed in Hannover for two years and which, in the future, will be cofinanced by the Laender of Schleswig-Holstein and Hamburg. Here, the most recent inventive projects are sorted out, are investigated for their funding worthiness, and connections with licensees in industry are established. Since the inventors' center has existed, about 2500 direct contacts with inventors have been taken up. Of these, 1400 technical ideas were pursued further, and 15 patents found international interest.

Both mature inventions as well as results from basic research, as measured by market requirements, are to be fed into the "technology transfer center" which is planned in Hannover.

Industry here should not merely use the available supply of technology but can also have its individual wishes worked on.

Otherwise than with the technology centers, the organization of the technology transfer centers is not yet clarified. It will probably resemble the extra-university research institutes. The basic financing will probably be taken over by a foundation which carries the name "Lower Saxony Foundation". According to the ideas of Mrs. Breuel, it will be equipped with a starting capital of five million marks.

Since the service will not be gratis, Mrs. Breuel expects that, after a start-up time of several years, this facility will become self-supporting. This optimism is substantiated by her ministry, with the reference that the remote-heat research institute, which was founded 15 years ago in Hannover, is today already self-supporting as regards personnel costs and running costs. This is surprising since, in view of falling petroleum prices, one could have assumed that the demand for energy saving technology would begin to decline.



Research Minister Heinz Riesenhuber recently declared that, in international competition, it had proven out again and again that the Germans are the first to have an idea in basic innovation, but other countries sell the resulting products. And precisely this is an untenable condition, according to the Economic Minister from Schleswig-Holstein.

In this innovation process, according to Mrs. Breuel, North Germany must not once again miss the connection. It must be the task of the structural policy of the province to smooth the path. For the provincial government, this is less a financial than a political risk. But here stimulus would be provided for future economic growth, and those who are in a growth phase can reduce unemployment.

#### Stuttgart Foundation Coordinates Support

Frankfurt/Main FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT in German 22 May 84 p 1

[Text] The technical competence of even medium and small entrepreneurs is quite often underestimated, according to Prof. Dr. Johann Löhn. Often enough a final push is indeed still necessary to introduce new technologies. Löhn is the top official in Baden-Württemberg, for the transfer of technical and scientific knowledge into the economy. For this he has received the beautiful title, Government Official for Technology Transfer, naturally in addition to the office which he has held since the beginning of the previous year. Before this, as Rector of the Furtwangen Technical College, he was already concerned for years with accessing and transferring fallow information sources to enterprises with a greater or lesser need for information.

The Steinbeis Foundation for Economic Funding turned out to be the framework for this new activity. Previously, this foundation was rather quiet in the Province. Löhn became the primary-professional chairman of the board of the Foundation and thus could control a small apparatus, which certainly is cheaper than if the state had transferred the tasks to a veritable official agency with everything that is involved therewith. But just as important as the apparatus, which currently consists of eight employees in the central and 20 in outside agencies, are the honorific colleagues. They are headed by two acting chairmen, who are actively and successfully busy as entrepreneurs.

The trio of chairmen is supported by manifold transfer institutions. Since its foundation, it has acted vitally, aided by the circumstance that, in Baden-Württemberg, there are probably more agencies concerned with the transfer of scientific information (and partly also personnel) than in other Federal provinces, quite apart from the fact that the so-called technology transfer belongs among the pet projects of the Baden-Württemberg ministerial president. Thus, the Steinbeis Foundation in recent months has for the first time obtained the collaboration of a whole series of university professors, for expert opinions, official comments, and as members of working teams. At this time, there are 16 such teams, and they are occupied with all modern technologies that are in demand as well their evaluation possibilities, up to a product

search. The foundation was active in the design of new transfer institutions, such as the Institute for Microelectronics and the Karlsruhe Research Center. It was active in the founding of so-called technology factories. It set up three transfer centers in smaller cities and wishes to expand the network of such centers far and wide over the province. The centers are supposed to educate the enterprises systematically in the new technologies.

In addition, the foundation collaborated in the reformulation of provincial funding policy, it seeks suitable enterprises for cooperation, and finally it attempts, by way of working teams, to search out the future path of the flow of technical development. During the last year, the foundation has executed or mediated about 3000 conceptual or single-business projects, by far the major portion for enterprises with less than 1000 employees. One main problem for middle class businesses, according to a management summary based on previous experience, is the shift from product to system. Formulated in terms of time, this means that the entrepreneurs concentrate too much on the hardware, while the market more and more expects software solutions for certain tasks. Here, the pure product is not the decisive factor. But Löhn also has some consolation for the (still) one-sidedly minded average businessmen. "It happens with professors, too."

8348

CSO:3620/360

## LIFESTYLES, POLITICS, ASPIRATIONS OF TURKISH TRAINEES

Hamburg DIE ZEIT in German 8 Jun 84 p 13

[Article by Claudia Hammer: "Not at all so Different"]

[Text] Duisburg. They want nothing to do with us. "They" are we, the Germans. And those who are saying it are the young Turks who live amongst us. They do not have it easy; neither in the home country, nor here in Germany. Because their chances for an education are slight and the labor market is plugged up both here and there. Not last, the hard line of German policy toward foreigners gives a great deal of trouble to the young Turks.

There are 47,000 Turks living in Duisburg. The local university has studied the social situation and off-work behavior of the city's Turkish youths. The sociologist, Faruk Sen, is responsible for the study. He questioned 400 Turks between 16-19 years old who have lived in Duisburg for a short time only and who are participating in the so-called "Measures for occupational preparation and social organization of foreign youths." It is a one year program which prepares 15,000 foreigners--97 percent of them Turks--for an occupation: they study German for 20 hours a week and receive practical instruction in a workshop for 16 hours.

The study shows that the Turks are hardly any different from the youths of other nations. They also have realized the importance of a thorough occupational training. For a majority of them, it was indeed the reason for coming to Germany. The most favored studies are in the area of motor vehicles, hair dressing, and in the metal, electric, construction and wood industries. Among the young Turks, 34 percent would spend their first savings on a car.

Although nearly all of those questioned have contact with comparable Germans, nevertheless, the young Turks stay within their own group during their free time. Part of the reason for it might be that the benefit measures are limited to foreigners. Therefore, the Turks hardly get to know any Germans of their age group. Another reason is the intense inclination of Turkish youths to belong to an organization: 32 percent are members of a political and 18 percent of a religious association.

If the Turks could vote in Germany, 78 percent of the young people would do so. What party would they vote for? Contrary to widespread opinion, extreme political trends do not play a role: 66 percent of the young Turks would decide in favor of the PSPD, 16 percent for the Greens, 12 percent for CDU/CSU and 4 percent for the FDP.

Of those questioned, 44 percent thought that the German parties worry about the problems of the foreigners but nearly as many thought otherwise. In spite of it, as a rule, the young Turks do not regret having come to Germany. How long they might stay, most of them have not yet decided. Only 10 percent want to return to Turkey soon, 12 percent want to live in Germany forever.

The Turks spend their free time like their German counterparts: 28 percent read books, 26 percent play sports and 24 percent watch TV. Nearly all tune in the Turkish program of ZDF, on the radio they mostly listen to the Turkish broadcasts of the WDR and to the "Voice of Turkey." Except for 4 percent, all of them read a Turkish newspaper, mostly the conservative-liberal HURRIYET or the conservative-right TERCUMAN. If only 14 percent of the Turks read liberal-left or liberal newspapers, it is simply because only a few of them are on sale at the newsstand.

Result of the Duisburg study: the Turkish youths are not at all very different, they are neither less intelligent nor lazier nor more reactionary than the young Germans.

2473

CSO: 3260/344

## EVERY THIRD PERSON IN LAPLAND UNEMPLOYED

Copenhagen BERLINGSKE TIDENDE in Danish 21 Jun 84 Sect III p 9

[Article: "Every Third Person Without Work"]

[Text] In spite of road projects and other public measures, unemployment in Lapland will hardly be eradicated in this century.

Finland. Unemployment is hanging like a menace over Finnish Lapland. Every other family in the region has been hit by unemployment in one way or another.

During the worst periods, every third inhabitant of sparsely populated Lapland is without work. Lapland covers a third of Finland's land area, but has a population of only 200,000, of whom scarcely half are of working age.

More than 10,000 of the jobs that are in the area are job creation projects created by the State or municipality, and just as many are subject to the instability of seasonal work.

There are not many chances to stamp out the problem, since both forestry and agriculture are using fewer and fewer workers. In any case, it will hardly be possible to do away with unemployment before the turn of the century, estimates Governor Asko Oinas, who has his residence in Finland's northernmost town, Rovaniemi, which functions as the capital city of Finnish Lapland.

Traditional means like road construction have been put to use in order to make an inroad into unemployment, but the demand for roads is about to be fulfilled and, also, road construction is now managed with machines. The Labor Ministry's district chief in Lapland, Taito Määttä, cannot promise that additional State investment is on the way. There is prosperity in Finland and therefore they have tightened up on the monetary policy, he explains.

Lapland's unemployment has its own characteristics. In many municipalities and toward the Swedish border an average of one out of five is unemployed. Taito Määttä thinks that this is due to increasing employment problems in Sweden. Previously many Finns found work on the other side of the border, but they are now being forced to seek employment in Finland.

Another crisis area is the eastern regions near the Soviet Union. Here they have waited for years for the implementation of government plans to build a large artificial lake, but the work never got under way because of environmental problems. Plans to open a phosphorus mine have also come to nothing.

"There were great expectations for the project. That they have come to a standstill has probably also buried other projects," Taito Määttä feels.

There are many other reasons for unemployment. A slump and stagnation hit Lapland in the 1960's and 1970's and upward of 20,000 people left the area. It is said that more citizens from the eastern municipality of Salla live in Sweden today than in the municipality itself.

An attempt was made to stop the emigration by traditional means, but over the years major industries, the wood products industry, forestry and agriculture have lost ground up north. Machines are taking over the work and earning opportunities are poor. Of Lapland's five open pit mines one is being shut down in a short time, while the financial situation in three others can hardly hold together.

Many in Lapland believe that the decision makers in South Finland have a share of the blame. The establishment of a number of national parks in North Finland has cost upward of 2000 jobs, believes Rovaniemi's former Town Manager Tuure Salo. He is known for his criticism of the "remote" authorities in South Finland.

Governor Oina [as published] elaborates on the problem: "Almost a fourth of the growth in Lapland's forests is occurring in areas which the government under pressure from environmentalists has protected and which consequently cannot be used for cutting," he says in a criticism directed against Helsingfors.

Oina emphasizes the State's importance as a land and forest owner, as well as the owner of, practically speaking, all large companies in Lapland. But what pays for the rest of Finland is not necessarily good for Lapland, Oina believes. Therefore, he thinks that Lapland will always have larger unemployment than the rest of the country.

8985

CSO: 3613/181

## OPTIMISTIC FORECASTS FOR ELF-AQUITAINE IN 1984

## President Pecquer's Remarks Summarized

Paris LES ECHOS in French 7 Jun 84 p 26

[Text] At yesterday's stockholders meeting, the chairman of the Elf-Aquitaine group announced that net earnings for the first half of 1984 would total 3.8 billion francs, compared to the 2.7 billion announced last year for the corresponding period.

But he made it clear that the figure should not be extrapolated to the year as a whole, since experience shows that the group generally begins its fiscal years better than it ends them. But moderate optimism for 1984 as a whole is justified.

Without irony, therefore, Pecquer could tell the stockholders that there had been no basic change in policy at Elf-Aquitaine since his takeover as chairman and that he was protecting the stockholders' interests as well as his predecessor had despite the considerable losses posted by the new chemical division in 1983--a year when all the foreign competitors in that sector earned sharply higher profits.

The chairman guaranteed that the recovery of Elf-Aquitaine's chemical division was well underway and that its equilibrium would be restored in the first half of 1984. He added, however, that much remains to be done to regain competitiveness with the large foreign groups. That is the objective he has assigned to himself for 1985 or 1986.

Addition of the new chemical division has substantially increased the debt ratio, particularly as regards short-term debt. As a result, the increase in capital that has just required 1.6 billion francs in fresh money from the stockholders will be used almost exclusively to build up working capital, which has been seriously depleted since the chemical division was added.

The firm's American operations improved noticeably in 1983, generating a cash flow of \$40 million. Pecquer said the figure might be twice that high in 1984. The policy of competing in the bidding for oil exploration rights in the United States was actively pursued last year with a view to ensuring cash flow for the 1990's.

The chairman intends to devote the financial results obtained (a cash flow of 16.3 billion francs in 1983, excluding the over 6 billion francs used for dry exploration) to the group's future without neglecting compensation for the stockholders. He will pursue a dividend policy reflecting developments in earnings.

For example, he has raised this year's net dividend from 10.80 francs to 12 francs after 3 years of no change.

#### Money Allocated for Research

Paris LES ECHOS in French 6 Jun 84 p 21

[Text] The Elf-Aquitaine group has tripled its research effort in 5 years' time to the present figure of 2.2 billion francs, or 1.7 percent of turnover. In absolute terms, overall expenditures are divided equally (at about 700 million francs each) between pharmaceuticals, chemicals, and petroleum. But in relative terms, the values are very different.

Petroleum's share is small (0.6 percent of turnover), but it is in line with the worldwide average of 0.5 percent. The reason is that in this area, the significant element is exploration expenditures (6.4 billion francs for Elf-Aquitaine). But this does not mean that the group is not involved in some major projects: horizontal drilling, upgrading of heavy oils, and the biodegrading of hydrocarbons.

#### "Multidrain" Drilling

The petroleum shortage gave a boost to enhanced oil recovery techniques, but the current abundance is giving new impetus instead to drilling techniques. In the case of horizontal drilling, the work at Castera Lou was an "economic success." This technique will be used in the Rospo Mare deposit in the Adriatic Sea--provided that Elf finds takers for that heavy oil.

But a new possibility is already emerging. It is the "multidrain" drilling process that provides a larger drilling base from one vertical well. "Encouraging results" were obtained last week in Eschau near Strasbourg, and Elf intends to use this process in upper Lacq.

In the field of chemicals, Elf-Aquitaine could do better: research in this area represents 2 percent of turnover, whereas the worldwide average is 3 percent and certain big rivals go as high as 5 percent. The focus of work is on the specialties--technical polymers and fine chemicals--but also on the major basic technologies, particularly electrochemistry: Atochem, for example, is interested in membranes, and in Lavera it will compare the various technologies existing in this field.

In the field of pharmaceuticals, the group's effort is on a par with that of the world's leaders. Now being added to the traditional lines of research is the work underway at the Labège biotechnology center (owned in equal shares by Sanofi and the SNEA). This work is concerned primarily with human health



(growth hormones and antitumorals) but also with enhanced oil recovery and plant genetics.

#### Artificial Intelligence

Elf-Aquitaine is also going in for innovation through INOVELF in France and Elf Technologies (a venture capital firm) in the United States. Among the latter firm's achievements are its participation in the U.S. research program on coal liquefaction (which led in Europe to Elf's partnership with Babcock Power, Ltd. to build a pilot plant in Great Britain) and the purchase of a 16.5-percent interest by Elf Technologies in the California firm of Technowledge, which specializes in artificial intelligence (and in which FRAMATOME [Franco-American Atomic Construction Company] also has a 10-percent interest).

The group is not going it alone. It makes its research centers available to France's small and medium-sized industries through CETRA (Aquitaine Region Technology Center) and now CETRALP (Rhône-Alpes Region Technology Center).

11798

CSO: 3519/388

## DROP IN SALES OF DOMESTIC AUTOMOBILES CONTINUES

Paris LES ECHOS in French 14 Jun 84 p 13

[Text] Although May was slightly better than April, the recession in the French automobile market is continuing as the months pass. Sales were down 10 percent last month in comparison with May 1983, according to provisional figures released by the Automobile Manufacturers' Committee.

A more serious phenomenon, since it reflects a structural trend, is the fact that foreigners in the market are still doing better than the French. Their sales were up by 4.8 percent despite the strikes in the FRG that have begun to slow deliveries of BMW and Mercedes automobiles.

It is true that the main body of German troops--Ford, Opel, and VW--have more than enough inventory in France to withstand the shock. In any case, the foreign share of the market reached a record figure of 36.7 percent in May, compared to 35 percent for the first 5 months.

There was no change in the list of best-selling cars. The Peugeot 205, with 8.1 percent of all sales in May, is still hot on the heels of the R11 (8.6 percent), but is leveling off somewhat because of the inadequate production rate and strong demand in foreign markets--especially the FRG--which must be given priority. Next comes the R5 (down to 6.8 percent), followed by the Citroen BX (5.8 percent) and the R25 (4.8 percent), which is just slightly ahead of the Peugeot 305 (4.8 percent) and the R9 (4.3 percent).

The major news, of course, is the continuing collapse by Talbot or, more accurately, by the Solara and Horizon, since the Samba is perking up again slightly as the vacation season approaches.

In any case, the contrast is becoming increasingly pronounced between the few new models (Renault 11, 205, BX, and Renault 25), which are sharing all the sales among themselves, and the sometimes spectacular collapse in sales of all the others (see the table below). There are no longer any sure bets. Except for the recent models.

Lastly, it should be noted that among the imports, Ford scored a real success in May by capturing 8.8 percent of sales, compared to 6.2 percent for Volkswagen-Audi, 5.3 percent for the Fiat group, and 4.3 percent for General Motors-Opel.

Decline of 12.6 Percent in 5 Months

Manufacturer	May		5 Months		Share of market
	1984	Change from 1983	1984	Change from 1983	
Peugeot, Inc.	52,994	-14.0%	254,002	-11.4%	33.2%
Citroen	21,242	-16.1	102,251	-13.1	13.4
Peugeot	27,428	+ 5.7	130,652	+ 5.6	17.1
Talbot	4,324	-56.3	21,099	-53.8	2.7
Renault	50,740	-19.5	243,231	-20.0	31.8
Foreign	60,103	+ 4.8	268,159	- 5.7	35.0
Totals	163,837	-10.0	765,500	-12.6	100.0

Four Bestsellers and Some Nonmovers

(Change in sales by model during the first 5 months of 1984 in comparison with the same period of 1983)

Model	%
Renault 25	-
Renault 11	+95.0
Peugeot 205	+84.0
Citroen BX	+29.5
Peugeot 505	- 7.0
Peugeot 305	-14.0
Citroen Visa	-15.5
Renault 4	-25.0
Citroen CX	-28.0
Renault 18	-28.5
Renault 5	-30.0
Citroen 2CV	-44.0
Talbot Samba	-44.5
Citroen LNA	-45.0
Renault 9	-54.5
Citroen GSA	-57.0
Talbot Solara	-58.0
Talbot Horizon	-60.5

11798

CSO: 3519/388

## PHILIPS COMPANY SEES MAJOR MARKET IN PRC

The Hague ANP NEWS BULLETIN in English 5 Jul 84 pp 4-5

[Text] Eindhoven, July 4--A senior executive of the Dutch electrical concern Philips said today he expected China to become an important market and possibly a major exporter in the next few decades.

Management Board Vice-President Gerrit Jeelof was speaking at a news conference after a week-long visit to China at the invitation of the Chinese Electronics Industry Ministry.

Jeelof said Philips had recently opened a three-man office in Peking which would help boost sales to China from current levels already in excess of 100 million guilders a year.

The Philips executive said he had discussed orders worth 'several hundred million guilders' in talks with various Chinese officials including Deputy Prime Minister Wan Li.

Projects discussed included a car telephone system for Peking and plants to make refrigerator compressors and colour television sets, he said.

'Sun Now Shining'

Deliveries of television sets and refrigerators as well as transmission and fibre-optical equipment had also been discussed, he added.

Jeelof said it still had to be decided whether Philips would work with the Chinese on a technology-transfer or joint-venture basis in future. He said his Chinese hosts had told him that although a cloud had hung above Sino-Dutch relations 'the sun was now shining'.

Deputy Prime Minister Wan Li had stressed the good opportunities there were for economic cooperation between the two countries, he said.

His hosts had not raised the matter of Philips' presence in Taiwan, he said, adding that the Chinese are 'practical people'.

Jeelof said the improving standard of living of the Chinese peasantry, which accounts for 80 per cent of the population, was causing a rise in demand for consumer electrical products.

#### Business Partner

Modernisation of the country's infrastructure meant that communications systems and facilities for electricity supplies were needed, he said.

Jeelof said he felt China would continue to value Philips as a business partner, pointing to past contracts for technology-transfer as well as for the supply of components and finished products.

If liberalisation continued and there was further growth in consumer demand and investment to develop the country's infrastructure, then China would become an important market, he said.

But competition for a share of this market would be keen, he added, noting that Japanese and American companies were also improving their links with China.

Jeelof also predicted that China itself could become a major exporter if it maintained its current pace of development.

CSO: 3600/45

## VIEW OF STEEL INDUSTRY AS 'POST-INDUSTRIAL VICTIM' REJECTED

Madrid ABC in Spanish 29 Jun 84 p 15

[Article: "Defending Steel"]

[Text] The closing the annual board meeting of the National Union of Iron and Steel Companies (UNESID), in which the minister of industry participated, may at least have served to call attention to the problems of this important sector of our economy; a sector which, along with that of ship construction, is all too often viewed from the standpoint of the always nervous simplifications concerning industrial reconversion and its painful aftermath of unemployment.

In very different manners, the general impression has been established that the iron and steel industry was little less than a sector doomed to extinction, forced to disappear on the horizon of the post-industrial society. Nothing could be more false or more mistaken. The new economic phase, as one notes in the leading national economies, has not excluded the iron and steel industry, but rather has been based on it, as well as other types of production and consumption. Along with oil, steel is the basic material with the highest rate of use in this decade of the 1980's, even amid the crisis that was triggered by the explosion of crude prices which occurred in 1973. Unlike what is commonly believed, it is in economies such as the Japanese that one most clearly discerns the prediction that the 21st century will be the "century of steel," to a far greater extent than the present century.

Steel consumption, naturally the levels consecutively attained in the process of a country's development, is gaged as much as the positions possibly lost by that same country as a result of the crisis or from the effects of its unique, specific problems. Spanish steel consumption has dropped to levels of 15 years ago, as a result of the general decline in the national economic activity. But will this state of crisis continue indefinitely? Will the pace of the Spanish economy never recover its normal advancement and as a result, will that steel consumption which reflects the general state of our economic health continue without growing or continue to decline? If Spanish steel consumption did not increase, we would fall into the category of countries whose economies are included in those of the Third World.

Inasmuch as the reconversion of the Spanish iron and steel industry must be achieved from the twofold standpoint of what our needs and our internal economic problems are, on the one hand, and the interests of the EEC to which our adherence must be pledged, on the other, we must not lose sight of what is being done at present on the Common Market. With the general economic recovery, there has also been a communitarian resumption of steel production.

In the case of Spain, the problem is different: Our exports do not stem from an original desire, but rather are a forced expedient resulting from the drop in the domestic steel consumption and the price of the capital depletion in the business. If there had been in Spain a cutback in iron and steel proportionate to that made by the EEC, it might happen that, when our economic reactivation occurred, we would have to resort to imports again.

With regard to steel, there must also be an intention of negotiating the iron and steel item with the EEC. Hence, it will be necessary to defend as much as the decent survival of this strategic national sector may demand. For although it would be bad if our iron and steel exports encountered difficulties with protectionism, it would be worse if our own defenses against the iron and steel exports of others were to be dismantled.

2909

CSO: 3548/286

## FELDT ORDERS END TO PRICE FREEZE, SEES HIGHER INFLATION

## Discount Rate Raised

Stockholm DAGENS NYHETER in Swedish 29 Jun 84 p 8

[Article by Olle Rossander, Claes Leo Lindwall, Thomas Lerner and Ase Skarsgard]

[Text] Food will cost more and it will be more expensive to borrow money. Those are some of the consequences of the economic decision made by Finance Minister Kjell-Olof Feldt and National Bank head Bengt Dennis on Friday.

The government is ending the price freeze Sunday and the National Bank will raise its rate by 1 percent. But rents will not go up since the rent freeze will remain in effect.

## Price Freeze Ends

The government has decided to end the price freeze as of 1 July. Finance Minister Kjell-Olof Feldt announced this at a press conference in Rosenbad on Thursday. He feels that the government has now created a platform on which to base a continued stabilization policy.

The government's decision means that industry and trade can raise prices starting on Sunday. The government will keep an eye on price developments but firms are not required to report their price increases.

At a press conference Kjell-Olof Feldt said that today, Friday, he will hold some briefing sessions with the trade sector.

Kjell-Olof Feldt categorically rejected the idea of introducing a new price freeze if the increases now are too great.

"I am not going to pop in and out with price freezes like a cuckoo in a cuckoo-clock," said Kjell-Olof Feldt. "That would really worsen the situation."



Thursday's decision did not affect the rent freeze which remains in effect along with the rest of the government's so-called panic package from April.

The rent freeze is an amendment to the rent law and can only be changed by a parliamentary resolution. It will probably remain in effect for the rest of this year.

"The reason for introducing the price freeze in April was that at the time there were grave indications that the contract negotiations and wage developments would lead to a very rapid spiraling of costs which would eventually affect prices as well," said Kjell-Olof Feldt. "The price freeze and a number of other steps were an attempt to get a breathing space in order to see if we could create better conditions next year, primarily for wage developments but also for price developments.

"We feel that in the present situation we can point to some important progress. Things look much more promising now than they did a few months ago and prospects are good that we will have substantially lower cost developments in 1985 than we had this year. We have created a platform on which to base a continued stabilization policy."

#### Less Pressure

Kjell-Olof Feldt also thinks that there is less pressure now from inflation.

"We do not have a demand situation that pushes prices up. From the first of the year until 15 June the Consumer Price Index rose 2.9 percent. In the last 12-month period Sweden was at the OECD average level of 8.1 percent. This means, in our estimation, that the price freeze is not needed to restrain an inflation fueled by demand.

"But it is obvious that the cost effects of some contracts will influence prices."

He said that increased costs resulting from wage hikes cannot be conjured away through legislation.

#### Increases Necessary

There is now widespread agreement among both wage earners and employers in the trade, hotel and restaurant, food products, transportation and taxi sectors in particular that prices must be increased somewhat so that businesses can live up to the contracts they have agreed to.

"In this situation we have come to the conclusion that the price freeze will not help us to eliminate the cost effects of the contract agreements that have been reached," said Kjell-Olof Feldt. "Retaining it would involve bureaucracy and regulation. Therefore we are now putting our faith in those who are active on the labor market. They must take the consequences of the agreements they reached."

But Kjell-Olof Feldt does not believe that ending the price freeze will lead to a price explosion. The trade sector has already said it wants an increase of 0.8 percent.

"I assume that they will handle prices with the utmost caution," said Kjell-Olof Feldt.

He said that a company's possibilities of raising prices are limited if it wants to be able to sell its goods. Prices that are too high would have a very negative effect on sales.

"This could also be a short-lived improvement since it could endanger our chances of making it through next year."

Kjell-Olof Feldt said that basically the price prediction for 1984 is the same as the one he made earlier. The increase in the Consumer Price Index between December 1983 and December 1984 will be around 5.5 percent.

However the bank rate increase on Thursday could lead to a slight increase to between 5.5 and 6.0 percent.

Kjell-Olof Feldt also said that at Tuesday's meeting with labor market organizations he had stated that they would either be forced to drastically weaken the price freeze or they would have to abandon it altogether.

"I think they understood the message they received."

The next step in the government's stabilization policy is to meet SAF [Swedish Employers' Confederation], LO [Swedish Federation of Trade Unions] and PTK [Negotiating Cartel for Salaried Employees in the Private Business Sector] on 20 August to discuss among other things LO's demand that the government collect the high profits being made by some firms.

Kjell-Olof Feldt also stressed that it is very important to have the agreement ready as early in the fall as possible.

#### Loans More Expensive--Not Harder to Get

The National Bank decided on Thursday to raise the rate by 1 percentage point to 9.5 percent after approximately 4.4 billion kronor flowed out of Sweden since the beginning of April.

The high interest rates abroad have tempted firms to move their money to the markets paying the highest interest rates and repay their foreign loans.

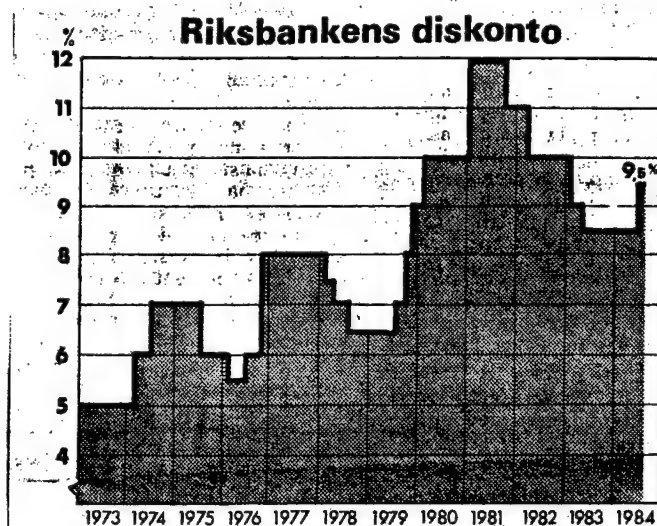
"This interest increase will strengthen confidence abroad in Sweden's economic policy and help keep inflation down and improve our balance of trade with other countries," National Bank head Bengt Dennis explained.

The National Bank also raised the so-called penalty interest rate by 2 percent to 13.5 percent. This is the interest banks have to pay when they borrow too much from the National Bank.

"It will not be harder for people to borrow money--but it will be more expensive," said the National Bank chief, who did not believe that an interest increase would affect firms' willingness to make new investments, which would affect the prospects for new jobs in industry.

"If the interest increase helps to increase firms' confidence in the ability of the government and the National Bank to stabilize the economy it could lead to increased investments," said Finance Minister Kjell-Olof Feldt at his press conference.

It is true that prices will be raised 0.37 percent by the increase in the bank rate but in the long run the National Bank head and the finance minister felt that prices will be held in check.



National Bank Rate

Thursday's increase in the bank rate, the National Bank's interest rate on loans, is the first since 1981.

#### Less Pressure

"Higher interest rates will lead to reduced consumption and thus less upward pressure on prices," said Bengt Dennis.

Finance Minister Kjell-Olof Feldt held the same view but added that this is a well-developed economic theory but one that has been impossible to prove after the fact.

"One can see how things went in the United States where they deliberately allowed interest rates to climb up toward 20 percent," said the deputy director of the National Bank, Kurt Eklof. "They reduced the inflation rate by around 10 percent but they had to accept very high unemployment levels at the same time."

He also pointed to the connection with wages which, if they become too high, lead to higher interest rates which in turn depress the real incomes of wage earners. The primary goal behind the National Bank move, according to Bengt Dennis, is to improve Sweden's balance of trade.

#### Surplus

Up to mid-spring Sweden was still exporting more goods and services than we import--our trade balance produced a surplus.

After international interest rates began to rise, currency started flowing out of Sweden at such a rate that a large part of our surplus from trade was eaten up by the outflow of currency.

Since the beginning of April, 4.4 billion kronor left Sweden in favor of countries with higher interest rates.

From the beginning of this year the outflow was 1.9 billion kronor.

Bengt Dennis flatly denied that the interest increase, which will increase inflation at least in the short term, indicated a failure of government policy.

#### Capitulation to 1984

"The government has capitulated to 1984."

That was Conservative Party leader Ulf Adelsohn's comment on the higher interest rate and the abolition of the price freeze! Other party leaders were also highly critical.

"Both decisions, raising interest rates and eliminating the price freeze, are signs that the government has capitulated to 1984," said Conservative Party leader Ulf Adelsohn. "We have a higher inflation rate this year than we had last year at this time. At the end of the first half of the year, the 4-percent goal is just a memory."

"The government must think it is better to get all the price increases that a price freeze would simply check this year, instead of leaving them till next year."

"The interest increase and the outflow of currency are signs that the budget deficit is too big. It is pushing interest rates up and the government lacks the courage to make cuts," Ulf Adelsohn said.

"The increase in interest rates is no surprise," said Center Party leader Thorbjorn Falldin. "We could not expect anything else when the government had done so little about the big budget deficit.

"The government evidently regards 1984 as a lost year when it comes to fighting inflation. The price freeze no longer serves any purpose in this context."

"The government is deceiving LO groups," said VPK [Left-Communist Party] leader Lars Werner.

"One day the government threatens wage earners with state interventions to keep wages down. The next day it adopts further measures that put even more pressure on the very same wage earners. It is swindling labor organizations to push wages down and allow prices and rents to shoot sky-high.

"VPK is demanding an extension of the price and rent freeze and the garnishing of record business profits for use in productive investments in the fight against unemployment."

"We in LO can understand the concern of the government and the National Bank for the outflow of currency resulting from international interest increases. At the same time we must point out that an increase in the bank rate will have a negative effect on both prices and investments," said LO chairman Stig Malm.

"With regard to the price freeze we have noted that both parties to contracts in many areas have asked for dispensations. If all these exceptions had been granted the actual result would have been the same as the current decision, namely the elimination of the price freeze.

"When the government made its decision against this background, it is absolutely vital that the business sector refrain from increasing prices more than is strictly necessary. The government and SPK [National Price and Cartel Office] have a big responsibility to make sure of this.

"The combination of interest increase and elimination of the price freeze could affect both real wages and distribution policy.

"The government must follow developments closely. If unacceptable effects show up the government must be immediately prepared to take the steps that are necessary. Otherwise there is a risk that the present decision will have consequences for the 1985 contract negotiations."

Norway reacted with indifference to the Swedish bank rate increase.

"The increase in the Swedish bank rate is so small that it doesn't mean anything to us 'true Vikings,'" according to representatives of the Bank of Norway and the Norwegian Industrial League.

"The increase in the bank rate is a natural result of the economic situation. From an international point of view interest rates in Sweden have been low." This comment was made by Sirkka Hamalainen, director of the Bank of Finland.

#### No Explosion

Bo Lindorn, section leader of the National Price and Cartel Office (SPK) does not believe that there will be drastic price hikes when the price freeze ends.

"Household buying power is so limited at this time that I do not believe there will be any big increases over today's price for goods. An attempt will be made to compensate for wage increases. But it depends a great deal on what the market will bear. There will certainly be increases in the service sector."

Bo Lindorn noted with satisfaction that the consumer price level had risen only 2.9 percent during the first half of the year--compared to 4.2 percent in the same period last year. Since the price freeze was introduced in the middle of April, consumer prices have risen only 0.5 percent.

Bo Lindorn does not expect any "cork out of the bottle" effect when the price freeze ends on 1 July.

There has been a lot of criticism of the price freeze and now it is being eliminated after only 2 1/2 months. Was there any sense in introducing it in the first place?

"All I can say is that the price freeze has been effective!"

#### Praise and Criticism from the Business Sector

The business sector's reaction to the bank rate increase was varied. Many are negative and regard this as proof that the government's inflation policy was a failure. But there are also positive voices that regard the decision as well-founded.

The increase in the bank rate came as no surprise to Ola Virin, chief economist for the Industrial League.

"In our market report published a week ago, we predicted an interest hike," he told DAGENS NYHETER. "Although we thought it would happen after the middle of the year."

Ola Virin said that the National Bank's decision to change the bank rate is well-founded.

"The high interest rates--mainly in the United States--led to an outflow of currency from this country which must be stopped. I am not worried about the increase in Swedish interest rates, on the contrary, I am concerned about international interest developments in the long term."

Ola Virin did not think Swedish industry would be affected to any great extent by the current bank rate increase.

"The bank rate increase will clearly have a negative effect on investments in this country."

So said Anders Rune, chief economist with the Engineering Society, in a comment to DAGENS NYHETER.

"The increase in the bank rate is proof that the government's inflation policy has failed," he continued. "If the Social Democratic government could reach its goal of 4-percent inflation this year, it would not have been necessary to raise the bank rate."

According to Anders Rune the increase in the bank rate will hit small businesses especially hard.

"Big firms are showing good profits today and find it easy to borrow money on good terms. Many of them are also able to lend out money and now they will get higher interest rates from that."

To put it simply, we can say that those with a lot of money will benefit from the National Bank's decision, while those who need money will lose out, according to Anders Rune.

He reacted positively to the government's decision to end the price freeze.

"An artificial price freeze simply means postponing the detonation of an inflationary bomb. It is good that the government decided to dismantle the bomb at an early stage.

"For the country's small businesses the interest rise is a great misfortune. It will lead to reduced investments and fewer new jobs in the long run."

Ingemar Essen, president of the SHIO [expansion unknown] Family Company, did not think much of the bank rate increase.

"The devaluation benefited big Swedish export firms but it was a big disservice to small firms that often work with imported components.

"Then the government decided to raise the employer tax. That had a heavy impact on small firms which are often labor-intensive.

"Now we have the interest increase which could have devastating consequences for the nation's small businesses," Ingemar Essen told DAGENS NYHETER.

He is very concerned about the future.

"We will not notice the effects of the bank rate increase this year. But in 1985, 1986 and 1987, reduced investments will lead to fewer new jobs," Ingemar Essen said.

#### Misfortune

Curt Olsson, chairman of the board of the Swedish Export Credit Bank, feels the bank rate increase is a great misfortune for this country.

"It is not good for businesses, banks or the general public," he told DAGENS NYHETER.

He has some sympathy for the decision to raise interest rates, but he thinks the National Bank moved too drastically.

"In recent months Sweden has had a negative trade balance, which is why money has been going out of the country. High international interest rates have also led to an outflow of capital from Sweden."

Curt Olsson hopes that the bank rate will be lowered soon.

"We depend on other countries and on the interest levels abroad, especially in the United States. But since the National Bank decided to increase the Swedish interest rate so much, there is also room for a reduction," he concluded.

"As far as tenants are concerned, the amounts involved are very small. The effect of the interest increase will be around 1 krona per square meter. That is about 0.3 percent extra rent in public housing," said the chairman of the National Tenants' Association, Lars Anderstig.

"We do not know yet if long-term interest rates will follow this trend. It usually takes a few days before they follow suit. But it is obvious that the interest increase will lead to other cost increases on property.

"For this reason it would not surprise me if property owners now ask the parliament to end the rent freeze," Anderstig said.

#### Devastating

Retaining the rent freeze while increasing interest rates and ending the price freeze could have devastating consequences for private property owners, according to Per Tornee, president of the Property Owners' League.



"The decision is quite illogical. It is no defense that the government will grant a general dispensation from the rent freeze," said Per Tornee. "Otherwise the property owners will be hit by the interest increase.

"Municipal housing companies are protected from the effects of the interest increase through state interest subsidies to a large extent," Per Tornee maintained.

#### Dollar's Rise Is Factor

Stockholm DAGENS NYHETER in Swedish 29 Jun 84 p 8

[Commentary by Jan Magnus Fahlstrom]

[Text] The next change in the National Bank's bank rate, which has been at 8.5 percent since last April, will not be the reduction that so many people predicted in the spring but an increase to 9.5 percent. This is the first time the bank rate has been raised since 1981.

It is obvious that the rise of dollar interest rates in recent months is what forced Sweden to follow suit. The connection is emphasized by the fact that West Germany and Austria also raised their bank rates on Thursday. The American banks' increase in their prime rate (their best lending rate) at the beginning of the week was obviously the precipitating factor.

From the first of the year up to the beginning of April, Sweden had a foreign payments surplus of 2.5 billion. Starting the second week of April the tide changed direction with the result that since then we have had a deficit of 4.4 billion.

This is not primarily due to a worsening of the trade balance, which did show a slight deficit in April, the latest month for which reports are available.

The reason for the outflow of currency is that export firms had a hard time getting their payments home while import firms stepped up their payments on foreign purchases.

In both cases the motivating factor was high dollar interest rates and the subsequent rise in the exchange rate of the dollar. Importers wanted to get dollars before they got even more expensive, exporters wanted to hold onto their dollars as long as possible and enjoy the high interest payments.

It is this mechanism that creates the dependence of Sweden and other countries on American interest rates and forces them to follow suit in an upward direction to protect their currencies and the balance of their foreign payments. The important thing is to make it more attractive for firms to invest their money in this country.

But one can also see domestic policy motives behind the increase in the bank rate and the increase in the penalty interest rate banks must also pay when they borrow a lot from the National Bank.

An interest increase means a tightening up of economic policy. It is a signal from the government to labor market factions that the government is serious when it calls for restraint and to businesses that it is prepared to check demand in order to control inflation.

Of course it is no accident that the interest increase occurs on the same day as the price freeze is lifted. If demand is restrained with a more austere economic policy there will also be less room for price increases and wage drift.

6578

CSO: 3650/237

## INDUSTRY CONFIDENCE BUOYED BY LARGE EXPORT INCREASE

Stockholm DAGENS NYHETER in Swedish 28 Jun 84 p 11

[Article by Bjorn Anders Olson]

[Text] Swedish industry is becoming increasingly optimistic about export prospects this year. Industry predicts that exports will increase by 15 percent this year compared with last year, up to 241 billion kronor.

Even though the 15-percent increase is in current prices, it represents a substantial volume increase and increased market shares abroad.

According to the Central Bureau of Statistics the expectations of export firms in May were considerably higher than they were in February. At that time they predicted a 9-percent increase in exports compared to 15 percent now. It should divide up into 119 billion worth of exports in the first half of the year and 122 billion in the second half.

The latest available statistics indicate that exports up to and including May amounted to 101 billion kronor. Since June is normally a good month for exports, company predictions of 119 billion in exports for the first half of the year could even be surpassed.

But there is a tendency toward lower export growth in the second half, which could mean that the prediction of export firms for that period is a little too positive.

Business optimism is also evident in predictions for next year.

In the first half of 1985, export firms expect a further export increase of 8 percent above this year's level. This would mean a volume increase in exports of 3 percent between the first half of this year and the first half of 1985.

The Central Bureau of Statistics review of the utilization of industrial capacity also showed that the wheels are picking up speed.

During the first quarter capacity utilization in industry rose from 80 percent in 1983 to 86 percent in 1984. Engineering industries increased their utilization of capacity even more rapidly, from 76 to 86 percent.

The greatest increase was in the mining sector, from under 80 percent to 94.7 percent utilization of actual capacity.

6578

CSO: 3650/237

## ELECTRIC POWER PLANTS CONVERTING TO USE NORTH SEA GAS

Copenhagen BERLINGSKE TIDENDE in Danish 23 Jun 84 Sect III p 5

[Article by "ib": "Elkraft Rebuilding a Number of Plants; Rebuilding of Zealand Electric Power Plants to Receive Natural Gas"]

[Text] Elkraft [Zealand electric power plant organization] will rebuild parts of the Amager plant, Kyndby plant and Svanemølle plant in order to be able to take the very large quantities of gas from DONG [Danish Oil and Natural Gas].

For the time being there is talk of granting money for preplanning, while the final decision will first be made when a number of problems have been solved.

This concerns the working out of the authorities' safety requirements for firing with gas, the account settlement rules which are to be used when natural gas is used for the production of electricity and heat, as well as when the final form of the agreement between Elkraft/ELSAM [Organization for Coordination of Electric Power in Jutland and Funen] and DONG has been worked out.

Elkraft is also waiting for the necessary additional agreements with the Central Municipalities' Transmission Company (CIR) and the Western Region's Heat and Power Company (VEKS).

Ready in About Two Years

The rebuilding at the Amager plant will include a power generating unit, at the Kyndby plant a so-called intermediate unit, and at the Svanemølle plant four boilers.

The changeover will be ready in a year and a half to two years and will mean an increase in electricity rates of about two øre per kilowatt-hour.

8985

CSO: 3613/181

## PIPELINE EXTENSION FOR CARRYING SOVIET GAS TO SOUTH UNDERWAY

Helsinki SUOMEN KUVALEHTI in Finnish 21 Jun 84 pp 32-35

[Article by Sakari Huovinen: "The Energy Decision of the Decade or Much Talk but Little Gas?"]

[Text] Natural gas will not resolve industry's energy needs, nor Soviet-Finnish trade-deficit problems, nor will it resolve the problem of air pollution, although it would serve for the assimilation of flowers. Its importance to the national economy is marginal, but it is a good supplementary alternative for those who happen to live alongside the gas pipeline.

Natural gas consumption accounts for 2 percent of all of Finland's energy consumption and, according to the highest estimate, it could rise to only about 5 to 7 percent, and that, to be sure, not before the end of the century. Despite these small percentages, billion-markka investments are involved and gas has accordingly attracted attention.

"We ourselves are surprised at the attention natural gas has received and particularly the favorable reception it has had," manager Ulf Schmidt, who is responsible for Neste [state oil company] natural gas sales, said. "We haven't pushed natural gas everywhere, but we have, of course, responded to the demand."

And indeed, according to Finnish Gallup polls, 80 percent of all Finns believe that natural gas consumption is increasing. The news of the effects of acid rains on the natural environment has done its job. Acid rains have been on people's lips while Neste has been trying to increase the use of pure natural gas after several years of decline.

In Finland the natural gas story began in 1974 when Urho Kekkonen lit the natural gas flame in the Valkeala village of Kiehuva. The same men who were present as now, in the same offices: Prime Minister Kalevi Sorsa and Foreign Trade Minister Jermu Laine, honored the ceremony of the opening of the natural gas taps.

During the early years the consumption of natural gas grew according to plan, but, tied to the price of oil, it gradually began to lose its ability to compete in price. The import target of 3 billion cubic meters remained an illusion. Last year only 700 million cubic meters were imported.

## Corporate Image Is Cleaner

At Neste, seeking its growth on international markets, natural gas started out being no worse than the buzzing of a fly, if not quite of a mosquito. Last year Neste's sales volume was 23 billion markkas and the sales volume for natural gas was only 546 million markkas.

Neste will hardly ever be doing a land-office business with natural gas. Getting the pipeline extension into operation is difficult and troublesome with all the listening to landowners and it will not start producing until sometime in the distant future. Soft carpets, the moderated tones of men in pinstripe suits and the profitable international trade business seem to be better suited to Neste's current image.

Natural gas is important to Neste for another reason: to respond to the government's cry for help in finding import consignments to balance the Soviet trade and in that way take care of relations with the chief owner, the state. But above all with natural gas they can improve Neste's domestic corporate image with a clean fuel that does not pollute, like oil does.

This is why Neste now has an operation in progress that covers all of Southern Finland. The new consumption objective has been set at 2.6 billion cubic meters by the end of the century.

Now the natural gas scene has shifted to the capital district where natural gas is almost daily being analyzed and calculations and partial decisions are being made. At the same time Neste is conducting a campaign on what natural gas really is, directed at those who in principle permanently favor coal and at appointed representatives.

## We Will Not Free Ourselves from Coal

Natural gas is generated from organic elements over millions of years in the same way as oil and coal. It has a high energy content, is nontoxic, burns completely and leaves no combustion residue; it is easy to automate its use, there is a plentiful supply of natural gas and it is readily accessible.

The sulphur content of the natural gas imported into Finland is under 0.001 gram per cubic meter of gas, whereas there are 10 grams per kilogram in coal and 30 grams in heavy fuel oil. Then too, there is many times less the amount of nitrogen oxides in natural gas. It is the energy dream of environmentalists, but current air-pollution problems will, however, not be solved by one throw of the dice. Still it is one alternative.

We will not free ourselves from coal in only this specific way. Transforming the present-day, already-built coal-run plants that produce district heating, which account for the overwhelming majority of our heating plants, representing 40 percent of our district heating production, to run on natural gas would not work because of the costs involved.

It would be easy to replace heavy fuel oil with natural gas merely by changing the burners. Natural gas is an alternative worth considering for that purpose.

Precisely when planning new power plants, we can investigate natural gas as a real energy alternative. If, on the other hand, we at that time install sulphur-elimination devices in coal plants, the points in favor of both alternatives add up to the same from the standpoint of environmental protection as well.

At that time the need for storing fuel for times of crisis steps into the picture, but... natural gas can only be stored by expensively liquefying it or by procuring light fuel oil as a reserve fuel, which would probably be twice as costly.

#### New Price of Gas

So far, however, there has been one major stumbling block in connection with natural gas as regards other fuels: the price.

Natural gas lost the last of its ability to compete in price during the so-called energy crisis in 1979 when the price of oil zoomed. The price of natural gas was tied to the price of oil.

According to Neste, the price has now dropped to the level of those of other energy sources since in negotiations with its Soviet partner, V/O Soyuzgaz-export, they determined that the old price structure was leading to a steady decline in its market position.

Last January Neste signed a new preliminary agreement in which the base price is lower than in the old agreement, which will be in effect until the end of 1986.

"We did not even dream that we could have competed with other forms of energy on the basis of the old price," Schmidt confessed.

The price of natural gas will still be tied to that of domestic heavy fuel oil, but now in addition to the domestic energy price index as well.

The purchase price of natural gas is a business secret and Neste is unwilling to talk about the sale price either to anyone but the buyers, to each his own. We know, however, that it at present ranges between 700 and 900 markkas per 1,000 cubic meters, depending on the user.

"It's only natural that we sell gas at a different price to someone who buys 200 million cubic meters of it than to someone who buys only a million cubic meters a year," Schmidt said.

Neste has recently given rise to resentment among some natural gas users due to the fact that it has sold gas to new customers "at bottom prices." These cases, however, probably involved additional purchases, not so much initial [purchases of] gas.



## Billion Price Range

In estimating the actual price of natural gas, we cannot, however, stick to only raw material prices, but must also calculate investments in plants and somehow estimate expenses [to protect] the environment as well.

The cost of building a natural gas pipeline from Kouvola to Pirkanmaa, Lahti and the capital district will come to about 900 million markkas. Neste has proposed that the funding model be the same distribution that was used to finance the present transmission pipeline in the early 1970's. According to that one, the state's share would be about 50 percent, Soviet pipeline contractors' about 15 to 30 percent and the rest would primarily be credit for domestic suppliers. Natural gas users would, however, not have to invest any more in the pipeline than that portion remaining between the pressure station, owned by Neste, and the user's equipment.

The initial expenses for a heating plant operating with a gas turbine will be about 40 percent less than for a coal-operated plant. The agreement that exists among official estimates on alternatives for the production of heating energy also arrives at this comparative figure.

There are so many ways of figuring it and so many calculation factors that it is impossible for a layman to arrive at an actual price comparison, especially since to it must further be added estimates on the evolution of fuel prices over the next 20 years. It does not, however, pay to be overly unhappy about this because even the experts' price range is a good-sized one.

According to a report made for Neste by EKONO [expansion unknown], a natural gas solution would save the city of Helsinki from 1 to 1.7 billion markkas in investment expenses in 10 years time. As for Helsinki energy director Eino Toiviainen, who retired in October 1982, in his farewell speech in UUSI SUOMI he boomed out that a natural gas solution would mean the same to Helsinki as the subway or three VALCO's [expansion unknown] in 10 years.

## Users Satisfied

The largest group of natural gas users has so far been the Southeastern Finland wood-processing industry, whose share has been as much as 80 percent of total consumption.

The Enso Gutzeit Company, which uses almost a fourth of the natural gas imported into Finland, has been satisfied.

"The reasons for using natural gas are the same as 10 years ago. It's cheaper than the heavy fuel oil we used to use, it doesn't produce storage expenses and it's kind to the environment. You don't need any more mathematics than that," Enso's purchasing manager Sakari Kantele replied.

According to Kantele, the bargain sale on coal will not last much longer and price hikes are already on the way. In terms of pricing, domestic peat follows the course of inflation. It is hard to obtain and to process, and it therefore

does not constitute a realistic alternative. A coal boiler, according to Kantele, costs roughly half as much more than an oil boiler, coal entails hauling costs and, when compared with a gas pipeline, in his opinion they do not really need any more time to reach a decision.

Other industries in Southeastern Finland have figured things in more or less the same way. The biggest companies in the area are all natural gas users. The volume of consumption depends on what fuel natural gas is replacing and what kinds of boilers the plants have.

#### Gas Is Manna to the Parties

Industry' representatives all, nevertheless, agree that natural gas will not satisfy industry's energy needs. Nor is Neste counting on it either.

"Natural gas won't solve industry's power problems, but it may postpone the need for solving them. Because of the small amount involved, natural gas is detached from the whole national energy debate," Neste manager Schmidt said. Neste views natural gas primarily as an alternative that complements other forms of energy.

One of industry's representatives, nevertheless, complained that the parties believe in natural gas as though it were manna from heaven.

"They believe that, if we just get our mouths and ears filled with natural gas, industry's power problems will be solved. The nuclear power plant project was rejected on this basis and public statements have even been issued on this basis. Incredible," he said.

Although, according to Neste general manager Jaakko Ihmunttila, the use of natural gas will be accentuated in new sectors in industry until the start of the 1990's, after that the relative volume of gas used for district heating will grow more rapidly. By the turn of the century probably 54 percent of natural gas consumption will go into just district heating.

#### Time of Decisions in the Capital District

Right now in the capital district it is beginning to be a time of decisions. The Vantaa Electric Works is making its decision in mid-June. At Vantaa natural gas may replace heavy fuel oil in the old power plants. With coal they cannot compete in price. The natural gas potential at Vantaa is probably right now about 20 to 30 million cubic meters a year.

It will not be time to supply more energy at Vantaa until the end of the decade.

The way things look now, the supply of district heating for the city of Helsinki is ensured until the early 1990's. Until then, natural gas could replace about 7 percent of Helsinki's heating energy production. In terms of natural gas that means about 50 million cubic meters.

Helsinki will need new power plant capacity by 1992 at the latest, when the Hanasaari A plant and the Myllypuro plant will be ready for the scrap heap. The preliminary plans propose that the new power plant be coal-fueled with heavy fuel oil as the reserve fuel.

If, however, Helsinki ends up with a gas turbine plant, the volume of gas used by Helsinki could rise to 500 million cubic meters. The city of Helsinki's Energy Works is making its proposal to the energy board in June; it will probably not be discussed by the council until after the fall municipal elections. In this way they will get a suitable topic for election debate out of natural gas.

#### Policy Suited to Natural Gas

The energy policy and the trade policy are very closely linked to one another. Last year energy accounted for over 80 percent of Finland's bilateral imports from the Soviet Union. Oil consumption has been declining for several years now and it has thus contributed to the growth of the trade deficit.

At its highpoint the trade deficit was from 4 to 5 billion markkas and is now 1.4 billion markkas. Additional natural gas imports could at best in the long run reduce it by at most 500 million markkas. So the trade imbalance will not be essentially changed with natural gas, but we can instead make up for reduced oil imports.

Against this background, Finnish foreign trade officials' zeal as steadfast advocates of natural gas is understandable. Neste has in a roundabout way and cautiously let it be understood that they should not in their zeal and enthusiasm go so far that it would make it difficult to engage in real price negotiations.

Some people figure that the Soviet Union has in fact already been unofficially given a pledge that the pipeline will be extended and that they have drunk a toast to it — whether there are orders for natural gas or not.

The fact that construction of the gas pipeline would go to the Soviets, although they have for a long time wanted to participate in construction projects in Finland, was not heard in church either. Neste will specifically require a suitable bid of the Soviet Union, but, if the politicians accept a higher bid, they will also have to pay the piper — out of the state treasury.

They have also been in contact with the other direction, the West and Sweden, and have asked whether the Swedes want to buy natural gas. Manager Schmidt, however, thinks that, although the matter is under consideration in the Swedish Government in June, scarcely anything will come of it because small amounts are involved.

The maintenance of close contact with the Soviets will, however, continue.

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CSO: 3617/181

## BRIEFS

'DIAMANT' CONCESSION BLOCK ENCOURAGING--The famous North Sea "Diamond" concession block, recently allocated by the Norwegian Government, well deserves its name. Gilbert Rutman, vice president of Elf Aquitaine, announced yesterday at a news meeting that the first drilling had produced positive results. Speaking vaguely at first of a "substantial discovery," Gilbert Rutman then became more specific in view of the fact that his group would eventually have rights to production in the order of a million metric tons of petroleum per year. Just one regret: to have only eight percent of this concession block, officially designated 34/7. Indeed, Oslo has favored local companies, beginning with Saga Petroleum. In an adverse situation--disappointment in Alaska and in the China Sea--"We're not doing too badly," observes the management of the French group which gives hope of good news a month from now, this time in the Gulf of Guinea. In France, after the failures experienced in the Iroise Sea and in the Gascogne Gulf, Elf will redeploy its explorations to the Paris Basin and to Aquitaine. In the area of production, the group has confirmed the drop in output of Lacq. This year the southwest deposit will produce only 5.9 billion cubic meters of gas as against 6.6 billion in 1983. Eventually, the extraction of purified gas will fall to 5.2 billion cubic meters in 1985, 4 billion in 1986, 3.5 billion in 1987, etc. In 1994, production will come to 2.2 billion cubic meters. To put the impact of this decrease into context, Gilbert Rutman stated that every cubic meter less translated into a 1 franc drop in the gross or net profit. It is known, however, that this development has not affected the results of the first half-year of 1984. [Text] [Paris LES ECHOS in French 14 Jun 84 p 13] 9824

GASOLINE TAX IN EFFECT--A new tax of 0.14 centimes per liter on fuel will make it possible to begin modernizing about a hundred French service stations as of this year, according to Auroux, secretary of state for energy. This tax on gas, high-test, and gas oil is to go into effect tomorrow, 13 June, and is to bring Fr 50 million per year into the "Network Modernization Fund" for the distribution of petroleum products. The creation of this fund was the subject of an agreement between the authorities and the retailers' representatives on last 17 May (LES ECHOS of 18 May). Auroux emphasized that it was a matter of helping retailers modernize, especially those who are not "taken care of" by the big companies, so that France can maintain a dense and competitive network, particularly in isolated areas. Fund contributions will be limited to 50 percent of the investment and to a maximum of Fr 100,000 according to information supplied to the AFP by Auroux. [Text] [Paris LES ECHOS in French 12 Jun 84 p 12] 9824

CSO: 3519/387

## STATOIL PROMISES TO MAINTAIN NORTH SEA OIL PRICE LEVEL

Oslo AFTENPOSTEN in Norwegian 29 Jun 84 p 33

[Article by Bjørn H. Tretvoll]

[Text] Statoil has decided to maintain the present official prices of Norwegian North Sea oil also in the third quarter even if crude oil prices in the so-called spot market during the last couple of weeks have shown a clearly declining trend. North Sea oil is now quoted at approximately 28.50 dollars per barrel in the spot market, i.e. 1.50 dollars per barrel under the official prices which are used in long-term delivery agreements.

"We have seen no reason to change our contract prices for the third quarter. The most recent drop in spot prices has not brought about any pressure for lower official prices," Håkon Lavik, press officer of Statoil, tells AFTENPOSTEN. In this context, he points out that it is a question of very small quantities that are sold in the spot market at the present prices.

Statoil is thus, as usual, following the state-owned British oil company of BNOC, which has also decided to keep an unchanged price level for British North Sea oil in the third quarter. BNOC, however, undertakes a couple of minor adjustments of the price differences between oils of different quality. As a result of this, oil from the Nini area will increase by 15 cents per barrel, while oil from the Maureen field will increase by 10 cents per barrel.

The decline in spot prices has occurred despite the uncertainty with regard to tanker navigation in the Persian Gulf. Saudi Arabian light oil is now quoted at less than 28 dollars per barrel in the spot market. The unrest in the Middle East caused spot prices to jump in mid-May and caused North Sea prices to increase beyond the official quotation of 30 dollars per barrel. Since then, prices, however, have shown a declining trend.

An important reason for this decline in prices is the fact that the member countries of OPEC, to all appearances, have produced more than the quota which had been fixed at 17.5 million barrels per day. Even if the demand has increased somewhat, there has probably also been a certain amount of stockpiling during recent weeks. There are certain indications, however, that the production of the OPEC countries during the latter half of June was somewhat lower than in the early part of the month.

## OPEC Meeting 10 July

This surplus production and the subsequent stockbuilding may create problems for the OPEC countries later on this year and may make it difficult to adopt any increase in the production quotas at the coming meeting of ministers which will start in Vienna on 10 July. The well-informed periodical PETROLEUM INTELLIGENCE WEEKLY estimates the average production of the OPEC countries during the second quarter of this year at upwards of 18 million barrels per day. It is pointed out, however, that the uncertainty of these estimates is greater than usual. The figures for the present production vary between 17.5 and 19.4 million barrels per day.

These figures imply, however, that a considerable portion of the increase in the production quotas which several of the OPEC countries had hoped for in the second half of this year has already been produced. If an increase in the total production rate is adopted at the meeting in Vienna, this may create a new serious pressure on oil prices.

As a result of the decision by Statoil, the prices of oil from Ekofisk will remain at 30.10 dollars per barrel, for Statfjord the price will be 29.80 dollars, and for the Norwegian share of the production from Murchison the price will be 30 dollars per barrel.

Spot prices for delivery in the fall are somewhat higher than prices for oil for immediate delivery. This may seem to indicate that the market expects a certain increase in prices since the demand for oil usually increases somewhat toward the winter.

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CSO: 3639/131

## PRODUCTION OF NORTH SEA OIL, GAS UP FIFTEEN PERCENT

Oslo AFTENPOSTEN in Norwegian 29 Jun 84 p 15

[Text] The total production of oil and gas from the Norwegian continental shelf increased to 26.5 million tons oil equivalents (TOE) in the course of the first 5 months of the year. This is an increase of 15 percent over the production last year, a report from the Oil Directorate states. It thus looks as if the record production of last year of 55 million TOE will be surpassed this year.

The total production consisted of 14.0 million tons of oil and gas, equivalent to 12.5 million TOE.

The average daily production from the Statfjord field amounted to 450,000 barrels in May. The Norwegian share of the Statfjord production so far this year amounts to 7.1 million tons.

The oil production from the Ekofisk area amounted to 259,000 barrels per day in May. The production so far this year from Ekofisk has amounted to 5 million tons of oil and gas, equivalent to 5.5 million TOE.

Gas deliveries from the Norwegian part of Frigg during the first 5 months of this year are equivalent to 6.7 million TOE. The oil production from the Valhall field amounted to 57,000 barrels per day in May, as a result of which the total production of oil so far this year has amounted to 0.9 million tons. To this comes gas equivalent to 0.2 million TOE.

The Norwegian share of the production from Murchison amounted in May to 208,000 tons of oil and 7,000 tons of gas.

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CSO: 3639/131



## BRIEFS

FUEL PRICE RISE IN AZORES--The price of fuels went up again yesterday in the Autonomous Region of the Azores. In a dispatch published in the official newspaper, the local government stipulated the new prices, considering that the Regional Supply Fund is "an indispensable tool in implementing a price policy suited to the needs of the region." Super gasoline, which had cost 64 escudos per liter in the Azores, now costs 80 escudos, a 25-percent increase. Regular gasoline, which cost 60 escudos, now costs 77.50 escudos per liter, and gasoil, formerly sold for 32 escudos per liter, is now 45 escudos, while a bottle of butane gas, home-delivered, now costs 728 escudos, with a wholesale price of 702 escudos. A tank of butane gas, home-delivered, formerly cost 572 escudos. Lamp oil and diesel oil have risen, respectively, to 45 excudos and 45.50 escudos per liter, and fuel oil now costs 27 escudos per kilogram. Finally, butane gas in bulk now costs 54 escudos per kg in the Autonomous Region. Regarding these price increases, the regional government stressed that the entire fuel sector in the Azores now depends solely on the Regional Supply Fund which, in collaboration with the petroleum companies, will now set the various prices to be charged among the islands of the Azores. [Text] [Lisbon O DIARIO DE NOTICIAS in Portuguese 27 Jun 84 p 15] 6362

CS0: 3542/76



## EAST, WEST EUROPE BEGIN TO COOPERATE ON ACID RAIN MEASURES

Copenhagen BERLINGSKE TIDENDE in Danish 26 Jun 84 Sect III p 2

[Article by RB [Ritzau's Bureau] Correspondent Bjarne Lønborg: "Common Battle Against Air Pollution"]

[Text] There is beginning to be agreement between the East and West regarding making the struggle for a better environment more effective, it appeared on the first day of an international conference in Munich with 31 countries taking part.

Beginning agreement between the East and West regarding making the fight against air pollution in Europe more effective was reflected already shortly after the beginning of the international environment conference in Munich in West Germany on Monday with 31 countries taking part.

Several delegation leaders together with the West German president of the conference, Interior and Environment Minister Friedrich Zimmermann, emphasized that there is a pressing need for quick action if incalculable pollution catastrophes are to be avoided in the immediate future.

"International cooperation in fighting pollution is for the time being the most important high-political cause immediately after the ensurance of peace," Zimmermann said with the approval of numerous delegates.

The opening surprise at the conference was the fact that Soviet Environment Minister Yuriy Izrael' bound his country to reducing by 30 percent before 1993 the share of the Soviet Union's emission of sulfur compounds, which drift in over other countries.

Also, the GDR adopted a proposal from 10 Western countries regarding reducing by 30 percent before the next nine years the emission of sulfur compounds from power plants and industry.

The proposal for this reduction comes from members of the so-called Ottawa Group: West Germany, Canada, France, Holland, Denmark, Norway, Sweden, Finland, Austria and Switzerland.

Prior to the Munich conference it was emphasized in West German quarters that it is precisely extensive international support for a 30-percent reduction of destructive sulfur emissions which is the crux of environment improvement efforts at the moment.

Contrary to expectations, and to the great resentment of a number of West European partner countries, Great Britain and the USA said no to reducing their sulfur pollution by 30 percent before 1993.

"We have already reduced sulfur dioxide emissions so much that it would be unrealistic with 30 percent more," a British delegation member said.

It was plead from American quarters that sulfur pollution is mainly a European problem.

The need for partial elimination of sulfur pollution in the air over Europe was emphasized especially by Denmark, Sweden and West Germany. In West Germany half of forested areas are about to be overcome by so-called acid sulfur-saturated rain.

"For us in Sweden 20,000 of our 100,000 lakes have been damaged by sulfur pollution and 4000 lakes are already biologically dead as the result of air pollution," Environmental Protection Administration Director Vilfried Paulsson told Ritzau's Bureau. In addition, Swedish forests have been to a large extent damaged by sulfur pollution, 90 percent of which is carried in over the country from other countries, the director added.

"Therefore, we regard it as insufficient to have a 30-percent international reduction of sulfur emissions before 1993. We suggest an at least 60-percent reduction of emissions," the Swedish delegation member said.

It was emphasized from the Danish side [words missing] that any doubt must benefit the environment, and therefore Denmark recommends that sulfur emissions be reduced by at least 50 percent before 1995. But we must certainly be reserved regarding demanding so large a reduction on the international plane. Otherwise we will perhaps risk the fact that many countries will desert the international agreement, because the fight against pollution will become too expensive, the Danish minister stated.

8985

CSO: 3613/181

## POLLUTION SLOWING IN COUNTRY'S INTERNAL WATERS

Helsinki UUSI SUOMI in Finnish 12 Jun 84 p 3

[Text] Most of our country's waters are nearly in their natural state. The worst-polluted lake accounts for only a couple of percent of the total surface area of our lakes.

According to the Water Administration, the pollution of our waters is no longer increasing as rapidly as only 10 years ago. Intensified protective measures have had an influence on this.

"The pollution of our waters has stopped, even though industrial production has expanded and the degree to which products are processed risen. Thanks to protective measures, the total volume [of pollutants] has declined. Generally viewed, the condition of our waters has improved," water administration advisor Kimmo Karimo of the Water Administration said.

The Water Administration dictates the conditions governing waste water discharges. Communities' waste water is primarily purified in purification plants employing biochemical processes. In industry they are gradually switching to the same methods, since earlier protective measures — the removal of solid waste and improvements in industrial processes — have proven to be costly.

The cellulose industry is still considered to be the worst polluter of our waters. Other polluters are, among others, the metal and chemical industries, the poisons released by which accumulate in the natural environment.

"In the purification of paper industry waste water, they have probably gone as far as one can go with present-day purification methods. The next phase would be the development of processes, that is, water conservation in the production cycle or the implementation of closed-cycle operation," hydrobiologist Ilpo Hakala from the Lampi Biological Station said. In Hakala's opinion, it is precisely through the development of industrial processes that we can achieve good results.

The worst-polluted waters in our country are the southern parts of the Saimaa, the northern parts of the Päijänne, the Kokemaenjoki waterway, Vanajavesi and some parts of Kallavesi. While in the coastal areas, the districts of Kemi, Oulu, Kaskinen, Pori and Kotka are the worst-polluted.

"It's a very relative point to claim that our waters are in a natural state. Every corner of our country has to some extent been subject to the influence of man. In my opinion, we cannot say that our lakes are in a natural state anymore," Hakala remarked.

We have been unable to check the eutrophication of our waters through protective measures. Aside from waste water, agricultural discharges and those produced in thinly-settled areas, drainage and fish breeding also cause eutrophication.

"Eutrophication is slowly advancing. Purification has not helped to stem the tide. Development of the use of fertilizers would perhaps be one way to stop eutrophication," hydrobiologist Hakala said.

The main cause of eutrophication is phosphorous and nitrogen discharges. They have been able to limit the passage of phosphorous into the waterways with the methods now in use, but not of nitrogen. It is precisely due to agricultural operations and from thinly-settled areas that the largest quantities of these chemicals get into the waterways.

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CSO: 3617/181

## PAPER COMPANIES REDUCE WATER POLLUTING WASTE MATERIALS

Paris LES ECHOS in French 13 Jun 84 p 10

[Article by Alix de Vogue]

[Text] Paper mills are still the major industrial water polluters. In spite of sustained investment efforts, which between 1974 and 1981 led to a 63 percent reduction in the volume of organic waste material, this industry is clearly the main offender in the 1984 ranking by the Secretariat of State for the Environment and Quality of Life.

In the lead over the past 2 years is the Pine Cellulose plant at Tartas (Landes). Environmental problems "are the handicap of this plant," the management of this group recognizes.

Specializing in fluff pulp (used for diapers and toilet paper), Tartas is responding to heavy demand: its production has climbed (from 104,500 tons in 1981 to 116,000 in 1983), its waste has grown too.

Between 1972 and 1982, antipollution investment in the plant amounted to 25 million francs. The group undertook a 15 million franc supplementary program (of which 9 million were allocated in fiscal 1984 out of a total of 33 million francs in total investment).

#### Positive Results

The ranking of the Secretariat for the Environment nevertheless reveals a number of positive results. For example, Rhone Poulenc was able to limit considerably its waste at Chalampe (a site on which the group has spent 400 million francs since 1953 to fight pollution, amounting to 12 percent of its total investment). The antipollution fight at the group level last year amounted to 540 million francs (investment and operations).

Moreover, through the restructuring of the Donges site (a total investment of 2.5 billion francs of which 12 percent was devoted to the protection of the environment), Elf was able to reduce dramatically its DCO [Expansion unknown] waste (from 63,520 to 700 kg per day).

### 30 Percent to 35 Percent Less by 1986

In all, the 34 main polluters in 1982 have succeeded since then in reducing their waste by 25 percent (from 894 to 668 tons). And at the Secretariat of State for the Environment there is optimism: when current programs are counted, waste from the largest polluters ought to drop by some 30 to 35 percent by 1986.

Moreover, industrial leaders on the whole do not worry the administration as much as local communities. While industry is responsible for 43 percent of organic water pollution and almost the entire amount of toxic waste, it is eliminating respectively 60 and 55 percent.

Between 1974 and 1981, industry reduced organic and toxic pollution by 30 percent and 42 percent respectively. By devoting much money: 1.5 billion francs of investment<sup>1</sup> to protect water in 1981 (69 percent more than in 1979) out of 4.1 billion devoted to the total fight against pollution; this total increased on the order of 15 percent per year between 1978 and 1981.

On the other hand, for local communities the record is grim: only 35 percent of the pollution produced (and only 33 percent in areas of more than 50,000 inhabitants) is eliminated before being emptied into rivers. In countries like Germany, England and the United States, the depollution rate has already reached 65 percent and 85 percent. To build new antipollution systems would require an annual increase in the rate of investment of 4 billion to 6.5 billion francs. This is one of the priority programs of the Ninth Plan.

But how will the communities be able to spend so much money while the price of water is fixed, while the 1984 budget has called for the 25 percent cancellation of loans for capital expenses of the state in localities and while specified funds (a device for encouraging specific actions) are disappearing in favor of general grants for equipment. The local administrations, whose expenditures for purification and depollution increased by only 3.2 percent per year between 1976 and 1981, are in danger of falling behind, and all the more so because they are turning more and more from unproductive investments.

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<sup>1</sup> Bassin financial agencies contributed a part (770 million francs) of these investments.

## ACID RAIN CAUSING RUIN OF FORESTS

Hamburg DIE ZEIT in German 15 Jun 84 p 26

[Article by Fred Haemmerli: "Dying Forests. The Shock Came Late: 'Green Death' Now Also Rages in Switzerland"]

[Text] The aromatic air of the woods, crystal clear mountain lakes--images which arise spontaneously in connection with vacationland Switzerland. But even the Swiss are battling dying forests and overly acidic waters, not least of all in the tourist areas.

With a 3-year delay as compared to the FRG, the GDR and Czechoslovakia, the tree death has now also spread to Switzerland. According to official enquiries conducted by the Swiss Institute for Forestry Research, every seventh coniferous tree is already terminally diseased. Every seventeenth tree is in its death throes or already dead. This mass death has spread so rapidly that even the Federal Forestry Office, which otherwise exhibits typical Swiss reserve, felt compelled to use expressions such as "devastating" and "ghastly" to describe this dramatic development. Even parliamentary deputy Jacques Martin, a member of the by no means anti-business Radical Democratic Party, fears that "in 2 years the Swiss evergreen forest could be dead and the green areas gone from our maps."

## Warnings Unheeded

The dying of the forest did not really befall the Swiss without warning. As long ago as January 1980 the Zurich WELTWOCHTE asked, "Who will save our forests?" On one whole page it described the damaging effects of air pollution on trees. Since the 1960's, scientific investigations into the effects of harmful emissions on plants have been conducted in Switzerland. For at least 10 years the results and estimates have been clear--and have in the meantime proved sadly accurate.

The voices of warning, however, were scarcely acknowledged--least of all by the forest rangers themselves. Even in those areas where more trees had to be felled than in previous years, they always gave a plausible explanation. First it was snow and frost damage; then it was dryness and heat. Rainy summers, unsuitable soil and the bark beetle also had to share the blame. Natural causes were always to blame. In addition, the forest rangers' own professionalism blinded them to the facts. Most Swiss forest

rangers are quick to cut down any dry or weakened trees to keep the Swiss forests looking healthy throughout. There must have already been a tremendous decline in the overall health of the forests before the forest rangers began to realize that they were having to mark more trees for cutting every year.

Even in "clean" Switzerland the cause of this rapidly spreading tree kill is air pollution which leads to acid rain and in this roundabout way damages the leaves and roots of trees. The U.N. has calculated that Switzerland imports about three-quarters of its overly acid precipitation from other countries.

And the FRG is not innocent with respect to this poisonous cargo, e.g., 16,000 tons of sulphur exit German chimneys and smokestacks annually. The Swiss in turn send 7,000 tons of it north with the wind.

Nevertheless, the Swiss have no reason to point the finger at their European neighbors, because these figures do not show that three-quarters of the air pollution also comes from other countries. The Federal Office of Environmental Protection in Bern has determined that "particularly in the cities and densely populated areas, the high level of air pollution is produced by local sources."

The main source of air pollution in well-to-do Switzerland is private automobile traffic. Among a population of 6.5 million, 2.5 million passenger cars pollute the air in addition to over 300,000 trucks and a good 800,000 motorized two-wheeled vehicles. Second place on the guilty list belongs to home heating. The Swiss use relatively 'clean' heating oil almost exclusively. Coal consumption has fallen to less than two percent of overall energy consumption. However, the convenience of liquid fuel also leads to greater consumption which has long since negated any of the advantages of lower emissions. The contributions of industry to air pollution, on the other hand, are much less great than is generally assumed.

In order to at least decrease the emissions coming from private and commercial smokestacks, atomic power again "comes to the rescue." Nuclear reactors do not spew oxides of sulphur, nitrogen or carbon into the air. However, even Swiss nuclear power plant builders Rudolf Minder of Elektrowatt and Hans Fuchs of Motor-Columbus have determined that "as immediate measures only conservation and changing of behavior patterns" of consumers are feasible. Non-nuclear alternative energy sources and technical conservation methods can be initiated as intermediate measures, but large-scale technological solutions such as district heating systems are only workable in the long term.

Unless something is done immediately, it is feared, Swiss forests will be long dead by that time. In some areas of this Alpine nation, tree deaths have already taken on frightening proportions. Most severely affected is the city-state of Basel. Nearly 80 percent of its trees are sick; more than half of this number have suffered irreparable damage. In the nearby municipal woods "Lange Erlen," also called the "lungs of Basel," there are almost no healthy trees at all any more: 95 percent of the ash, 90 percent



of the oak and 80 percent of the Scotch pine, beech and other desiduous trees are sick. Only spruce with about 50 percent healthy trees still shows a certain amount of resistance. So-called "dead circles" in which no tall plants can any longer exist have formed around many trees. The cumulative level of acidity in these areas is greater than that of vinegar. "I'm waging a truly desperate battle," said Martin Eichrodt, head forest ranger of the canton of Basel.

Basel is particularly adversely affected because harmful emissions accumulate in this region as in a funnel. This city also bears the brunt of exhaust fumes from French and German through-traffic and from the cars of local employees commuting back and forth to the chemical industry in Basel.

More than half of the forests in large areas of the cantons of St. Gallen and Aargau are also threatened with death. But not only there--the tree kill also extends to the tourist-oriented cantons of Graubunden, Uri and Tessin, as well as the Bern uplands. The reasons for this problem are not yet completely clear. Along with climatic influences, the composition of the soil may also be part of the cause. While the Swiss midlands and the Jura are very alkaline, thus neutralizing part of the acid rain, the rock faces of the Alps are composed of granite.

Environmental protection officials in Bern suspect this to be the reason that most of the lakes in the mountains and in southern Switzerland are overly acidic. An examination of 57 mountain lakes in Tessin showed that 47 had above average levels of acidity. The dying of the forests in the Swiss Alps could lead to catastrophe there more quickly than in other parts of the country. The forests there function not only as an air filter but also as natural protection against avalanches and landslides. In the preserve above the main town of Altdorf in the Urn region the situation was "almost shockingly bad," said the local canton ranger. That this forest was designated a preserve and was thus completely protected as long ago as 1515 offers little comfort. With probably the most progressive forestry laws in the world--for more than a hundred years complete deforestation anywhere has been forbidden and in the Alps every single tree is protected by law--Switzerland must still look on as its forest decline now even without the aid of the "wood thieves" for which the laws were intended.

#### Lobby Against Lobby

The population in the mountains of Switzerland faces a two-fold problem. In addition to the increased danger of avalanches and landslides, they must also be concerned about the loss of their main source of income, tourism. Who would want to go hiking in Engadin, for example, if there were no trees and if avalanche guards dotted the once untouched mountainsides?

The call for effective measures to halt the death of the forests is unanimous throughout Switzerland. Opinions are divided, however, on what should actually be done. Environmentalists demand reduced speed limits on freeways and state highways as an immediate countermeasure. The

automobile lobby categorically opposes this measure. The government and the parliament have put the issue on the back burner and have instead allocated 150 million Swiss francs (about DM 180 million) for the fight against the bark beetle.

All other plans up to now have likewise turned to sand. The Federal Office for Environmental Protection has presented a whole catalog of measures for keeping the "green death" in check. About 40 immediate countermeasures--which have leaked through to the public--have been proposed by federal environmental officials, including such drastic measures as rationing gasoline and heating oil, introducing strict U.S. exhaust gas standards and equipping older vehicles with catalytic converters. Up to now nothing has happened. Only in-city speed limits have been reduced from 60 km per hour to 50 km per hour, although this measure was already adopted months ago for safety reasons. In 1986 stricter exhaust gas standards will be enforced which, though stricter than those in the FRG, will still permit levels three times higher than those permitted in the U.S. and Japan.

Therefore, many Swiss fear that Ernst Krebs, chief forest ranger of Zurich, is right when he writes, "Nature's ability to rebel against violation of its laws has been underestimated. The trend will become more critical along a direct, logical path. First the lichens, then the coniferous trees, then the entire ground cover of vegetation and then even the animal world will be affected. And finally, mankind will not be excluded."

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